

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

January 3, 2018

A Regular Meeting of the Board of Directors of Vista Irrigation District was held on Wednesday, January 3, 2018 at the offices of the District, 1391 Engineer Street, Vista, California.

1. CALL TO ORDER

President Dorey called the meeting to order at 8:31 a.m.

2. ROLL CALL

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

Directors absent: None.

Staff present: Eldon Boone, General Manager; Lisa Soto, Secretary of the Board; Brett Hodgkiss, Assistant General Manager; Don Smith, Director of Water Resources; Brian Smith, District Engineer; Randy Whitmann, Director of Engineering; Frank Wolinski, Operations and Field Services Manager; Alisa Nichols, Management Analyst; Marlene Kelleher, Finance Manager; and Marian Schmidt, Administrative Assistant. Back-up General Counsel Jeremy Jungreis was also present.

Other attendees: Daphne Munoz of White Nelson Diehl Evans LLP.

3. PLEDGE OF ALLEGIANCE

President Dorey led the pledge of allegiance.

4. APPROVAL OF AGENDA

18-01-01	<i>Upon motion by Director MacKenzie, seconded by Director Vásquez and unanimously carried (5 ayes: Miller, Vásquez, Dorey, Sanchez, and MacKenzie), the Board of Directors approved the agenda as presented.</i>
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5. PUBLIC COMMENT TIME

No public comments were presented on items not appearing on the agenda.

6. CONSENT CALENDAR

18-01-02	<i>Upon motion by Director Miller, seconded by Director Vásquez and unanimously carried (5 ayes: Miller, Vásquez, Dorey, Sanchez, and MacKenzie), the Board of Directors approved the Consent Calendar, including Resolution No. 18-01 approving disbursements.</i>
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A. Grant of Right of Way

See staff report attached hereto. Staff recommended and the Board accepted Grant of Right of Way (O78) for a 30-foot wide specific easement over residential property consisting of approximately 6.56 gross acres owned by Osborne Park Inc., located at 2438 East Vista Way, Vista (LN 2011-023; D-2235; APN 171-350-49; DIV NO 1).

B. Minutes of Board of Directors meetings on December 6 and 11, 2017

The minutes of December 6 and 11, 2017 were approved as presented.

C. Resolution ratifying check disbursements

RESOLUTION NO. 18-01

BE IT RESOLVED, that the Board of Directors of Vista Irrigation District does hereby approve checks numbered 57623 through 57881 drawn on Union Bank totaling \$1,585,179.35.

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 3rd day of January 2018.

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7. **FISCAL YEAR 2017 AUDIT**

See staff report attached hereto.

Finance Manager Marlene Kelleher introduced the District’s auditor, Daphne Munoz, who presented the audit results. Ms. Munoz reviewed the auditors’ opinion, and the methods and standards by which the audit was conducted. She stated that the District’s financial statements and best practices were reviewed, and the auditors found no material weaknesses involving the District’s internal control structure or its operation. She noted that the auditors encountered no significant difficulties in performing the audit, and there were no disagreements with management. Ms. Munoz reported on a new standard that will affect the District in 2018 regarding other postemployment benefits. She reviewed a recommendation regarding the District’s allowance for inventory obsolescence, noting that the District will zero out the balance and stop using this allowance account. The Board thanked Ms. Munoz. Ms. Munoz complimented staff’s organization and cooperation throughout the audit. The Board thanked Ms. Kelleher and her staff for their good work and for another clean audit. Ms. Kelleher responded that gathering the information that goes into the Comprehensive Annual Financial Report is a concerted effort that involves all departments of the District.

18-01-03 *Upon motion by Director MacKenzie, seconded by Director Vásquez and unanimously carried (5 ayes: Miller, Vásquez, Dorey, Sanchez, and MacKenzie), the Board of Directors accepted the Fiscal Year 2017 audit report by White Nelson Diehl Evans LLP.*

8. FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2017

See staff report attached hereto.

Ms. Kelleher reviewed the Financial Report for the year ended June 30, 2017, stating that overall the District experienced a \$1.3 million operating gain this fiscal year, which was a reduction from the \$3.3 million operating gain for the prior fiscal year. She attributed the reduction in operating gain to the fact that the District had to purchase more water from the San Diego County Water Authority at a higher price than anticipated. Ms. Kelleher reviewed some of the noteworthy items in the revenue and expense budget comparison and the capital outlay comparison. The Board thanked Ms. Kelleher for the report.

9. DIVISION REPORTS

See staff report attached hereto.

General Manager Eldon Boone stated that the District’s customers’ water usage for the month of November 2017 was nine percent higher than the same month in 2013, which is the base year used by the State Water Resources Control Board for comparison purposes. He said that most agencies in the region experienced higher usage due to the drier, warmer than usual weather in November.

Director MacKenzie asked if the mainline replacement projects listed in the Division Reports could be shown with the total number of miles at the end of each bulleted item. Director of Engineering Randy Whitmann responded that he believed this information could be added to future reports without too much difficulty.

Mr. Whitmann provided an update on water seepage from the newly rehabilitated HP reservoir; he stated that staff is working with the project consultant to determine the best way to address the issue.

10. 2017 WATER MASTER PLAN

See staff report attached hereto.

Mr. Whitmann said that this informational report is intended to provide a preview of the first three chapters of the draft master plan and the analysis performed by the District’s consultant HDR Engineering, Inc. (HDR). Mr. Whitman provided an overview of the findings by HDR thus far via a PowerPoint presentation (attached hereto as Exhibit A). He stated that HDR has reviewed existing and planned land-use within the District’s service area and that water use associated with the new build-out projection is considerably less than that projected in the 2000 Master Plan. Consequently, the updated Master Plan will likely focus more on pipeline replacements versus projects aimed at increasing system capacity.

It was acknowledged that the numbers used in the projections are intentionally conservative in order to ensure that all future water demands will be met. Mr. Whitmann reviewed the demand projection variables used to develop low, medium, and high projections for the future. Mr. Whitmann noted one error in the report, which referred to the District’s six pump stations. Mr. Whitmann said that while the District does intend to eliminate one pump station in the future, the District currently has seven pump stations.

Mr. Whitmann said that staff is currently working with HDR to refine chapters 4-8 of the draft master plan, and these chapters would be reviewed in-depth at an upcoming Board workshop. Mr. Whitmann said that when chapters 4-8 are ready, staff would schedule the workshop with the Board, probably for early February. Mr. Boone said the date would be set at the next Board meeting.

Director MacKenzie asked if the population could be added to the peaks shown on Figure 3-1 of the report. Mr. Whitmann said that this could be done. The Board asked about storage for fire flow, which Mr. Whitmann noted would be addressed in Chapter 5 of the report and reviewed at the future workshop. Mr. Boone commended Mr. Whitmann for his efforts on the draft master plan, which he noted has been very much a collaborative process with HDR. Director MacKenzie suggested that an executive summary be added to the document, if possible.

11. DISTRICT HEADQUARTERS COURTYARD IMPROVEMENTS

See staff report attached hereto.

The Board discussed possible renovations to the District headquarters courtyard to create a more comfortable and spacious gathering place for employees, particularly for all-hands District events when the space in the lunchroom adjacent to the courtyard is not adequate. The Board discussed the proposed concept of adding a patio shade structure that would utilize “shade sails” as the least expensive alternative. The Board indicated that while “shade sails” might be the lowest cost option for shading the area, it might not be the best option due to the limited life of the “sails” themselves. The Board discussed whether a more permanent structure might be a better investment, and decided not to move forward with any shade structure at this time. The meeting relocated briefly to the outdoors to view the patio area, where discussion continued regarding the proposed project.

Upon returning to the Boardroom, the Board decided to take a more phased approach to the project, starting with staff obtaining bids on painting the interior courtyard walls a darker color to mitigate the brightness and glare in the area. While taking bids on painting the courtyard area, the Board directed staff to also take bids on painting the entire exterior of the headquarters complex. The Board was in favor of the removal of the large planter in the center of the courtyard and the olive tree currently housed in the planter. The area left vacant by the removed planter and tree will be filled with concrete to blend with the existent concrete around it. The Board directed staff relocate the olive tree to another spot within the headquarters complex, if possible. The Board was in favor of approving a Notice of Exemption for the project. After the courtyard is repainted and the planter removed, the Board indicated a desire to revisit the matter to assess the need for the addition of a shade structure. The Board directed staff to also explore the possibility and cost of staining the entire patio surface to help mitigate the brightness and glare in the courtyard area.

18-01-04	<i>Upon motion by Director Miller, seconded by Director Sanchez and unanimously carried (5 ayes: Miller, Vásquez, Dorey, Sanchez, and MacKenzie), the Board of Directors took the following action: authorized staff to solicit bids from qualified licensed painting contractors for painting the headquarters courtyard area as well as the entire exterior of the headquarters complex; authorized the removal of the planter in the center of the courtyard which currently houses an olive tree, and the relocation of the olive tree to another location on headquarters property; and determined that the project is exempt from the provisions of the California Environmental Quality Act.</i>
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A brief break was taken from 10:41 to 10:45. Upon return from break present in the Boardroom were Frank Wolinski, Randy Whitmann, and Alisa Nichols.

12. DISTRICT COMMITTEES AND REPRESENTATIVES TO OUTSIDE ORGANIZATIONS

See staff report attached hereto.

President Dorey noted that a copy of his proposed Board Committee assignments was provided at each of the Board members' places at the dais (attached hereto as Exhibit B). He asked if anyone had any questions or comments. Hearing none, the Board took the following action:

18-01-05	<i>Upon motion by Director MacKenzie, seconded by Director Vásquez and unanimously carried (5 ayes: Miller, Vásquez, Dorey, Sanchez, and MacKenzie), the Board of Directors ratified President Dorey's committee and outside organization appointments for 2018.</i>
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13. MATTERS PERTAINING TO THE ACTIVITIES OF THE SAN DIEGO COUNTY WATER AUTHORITY

See staff report attached hereto.

Director Miller reported that the most recent meeting of the San Diego County Water Authority (Water Authority) Board of Directors was routine in nature. He noted that with regard to the San Vicente Energy Storage Facility Project, the Water Authority is negotiating with a developer/contractor/operator to see if there is sufficient benefit to the member agencies to proceed with the project.

Mr. Boone reported on the Member Agency Only meetings, which he stated have been quite productive. He noted that the general managers have been requesting the Water Authority submit Local Resource Program applications to Metropolitan Water District (MWD), but the Water Authority has been opposed to doing so. After Water Authority Chair Muir attended a recent meeting where this issue was discussed, three applications for funding from MWD have been submitted.

Mr. Boone noted the sad passing of Francesca Krauel, a former City of San Diego representative on both the Water Authority and MWD Board of Directors.

14. MEETINGS AND EVENTS

See staff report attached hereto.

Director Sanchez said that he would not be attending the Hoover Dam and Colorado River Aqueduct System tour sponsored by the Water Authority and MWD in February because he attended a tour while at the Colorado River Water Users' Association (CRWUA) Conference. The tour provided him with ample information on the topic.

Director Sanchez reported on his attendance at the CRWUA Conference, which he found to be very informative. He also found the networking at this particular conference to be most helpful to him. He discussed a session he attended at the conference regarding a consortium of seven water agencies and their efforts to implement water conservation practices similar to those in Southern California.

Director Sanchez stated that he received word from Association of California Water Agencies (ACWA) that he was not appointed to any ACWA Committees. Director MacKenzie encouraged him to attend the committee meetings of interest to him anyway to demonstrate his interest and to get to know the people.

Director Miller reported on his attendance at the CRWUA where the draft conservation plan was discussed; it was also mentioned that the lack of snow pack in Colorado could strongly affect the levels on the Colorado River. Director Miller said there was a presentation regarding the Minute Order 323 which boosts water security for Colorado River water users.

Director Vásquez reported on his attendance at the Legislative Roundtable meeting at the Water Authority where the speaker was Assembly member Todd Gloria, who spoke about his first year in the Assembly and his appointments to Water, Budget and Education committees. He also talked about his agenda which includes issues troubling the City of San Diego, including transportation, climate change, housing, and low income communities.

Director MacKenzie reported on her attendance at the CRWUA Conference, where she attended the “Colorado River 101” session presented by a former Supreme Court Justice from Colorado, Justice Hobbs. He provided historical background regarding the Colorado River, which Director MacKenzie found to be very interesting. She also attended a session entitled “Singing a Challenging Tune; Harmonizing Dams and Mitigation”; the panel included a research hydrologist, two research ecologists, a research statistician, and a Senior Research Scientist in a larval fish laboratory at Colorado State University. She noted that there was a lively debate among this panel, each sharing differing points of view.

Director Dorey reported on his participation in a conference call of the Southern California Water Committee Colorado River Task Force where the discussion centered on Salton Sea issues. He also reported on his attendance at a San Luis Rey Watershed Council Board Workshop in Pala where the finances and grants were discussed.

Directors Dorey, MacKenzie and Sanchez requested to attend the State of the Community Luncheon for the City of Vista on January 22, 2018 at the Vista Civic Center. Directors Dorey and Vásquez requested to attend the meetings of the Council of Water Utilities (COWU) in January and February in San Diego. Director Vásquez requested to attend the Urban Water Institute Spring Water Conference, February 7-9, 2018 in Palm Springs, and the San Diego Chapter California Special Districts Association (CSDA) quarterly meeting on February 15, 2018 in San Diego. Director MacKenzie requested authorization to attend ACWA State Legislative Committee meetings as they occur throughout 2018.

18-01-06	<i>Upon motion by Director Miller, seconded by Director Vásquez and unanimously carried (5 ayes: Miller, Vásquez, Dorey, Sanchez, and MacKenzie), the Board of Directors authorized the following attendances: Directors Dorey, MacKenzie and Sanchez to attend the State of the Community Luncheon on January 22, 2018 in Vista; Directors Dorey and Vásquez to attend COWU in January and February in San Diego; Director Vásquez to attend the Urban Water Institute Conference, February 7-9 in Palm Springs, and the San Diego Chapter CSDA quarterly meeting on February 15 in San Diego; and Director MacKenzie to attend the ACWA State Legislative Committee meetings in 2018.</i>
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15. ITEMS FOR FUTURE AGENDAS AND/OR PRESS RELEASES

See staff report attached hereto.

The Board requested an update on the courtyard improvements.

16. COMMENTS BY DIRECTORS

Director Vásquez reported on noteworthy items he read in recent local newspapers. Director Miller reported that he was appointed to the ACWA Energy Committee. Director MacKenzie expressed an interest in knowing the status of the efforts to secure the easements for the San Pasqual Undergrounding Project (SPUP). It was noted that there is a deadline for completing the SPUP with penalties being applied if the deadline is not met. The Board expressed concern for anything which could hold up the project, such as the efforts to secure the necessary easements. President Dorey requested that staff report back on this matter as soon as information becomes available.

17. COMMENTS BY GENERAL COUNSEL

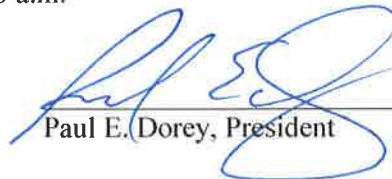
Mr. Jungreis wished the Board and staff a very happy new year.

18. COMMENTS BY GENERAL MANAGER

Mr. Boone reminded the Board that Sexual Harassment Prevention training was scheduled for the Board along with District division heads, managers, and supervisors for the following Monday at 9:00 a.m. in the Boardroom. Mr. Boone thanked the Board for attending the recent Employee Appreciation event.


19. ADJOURNMENT

There being no further business to come before the Board, at 11:41 a.m. President Dorey adjourned the meeting to January 17, 2018 at 8:30 a.m.



Paul E. Dorey, President

ATTEST:



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



STAFF REPORT

Agenda Item: 6.A

Board Meeting Date:	January 3, 2018
Prepared By:	Al Ducusin
Reviewed By:	Brian Smith
Approved By:	Eldon Boone

SUBJECT: GRANT OF RIGHT OF WAY

RECOMMENDATION: Accept Grant of Right of Way (O78) for a 30-foot wide specific easement over residential property consisting of approximately 6.56 gross acres owned by Osborne Park Inc., located at 2438 East Vista Way, Vista (LN 2011-023; D-2235; APN 171-350-49; DIV NO 1).

PRIOR BOARD ACTION: On May 18, 2011, the Board approved the East Vista Way – Mason Road Pipeline project (Budget 12-02).

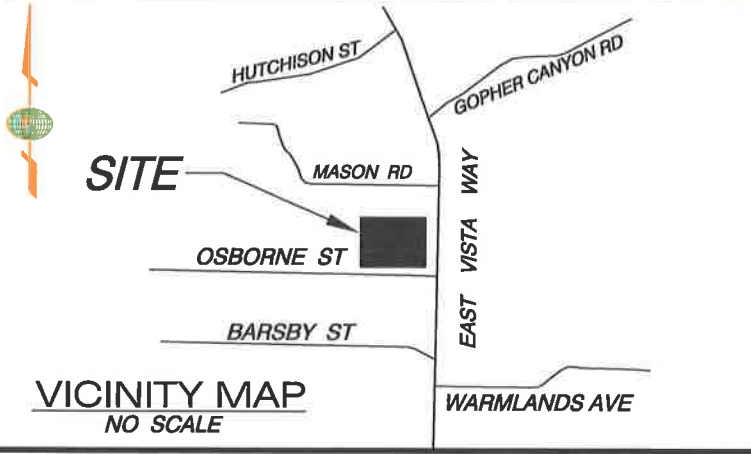
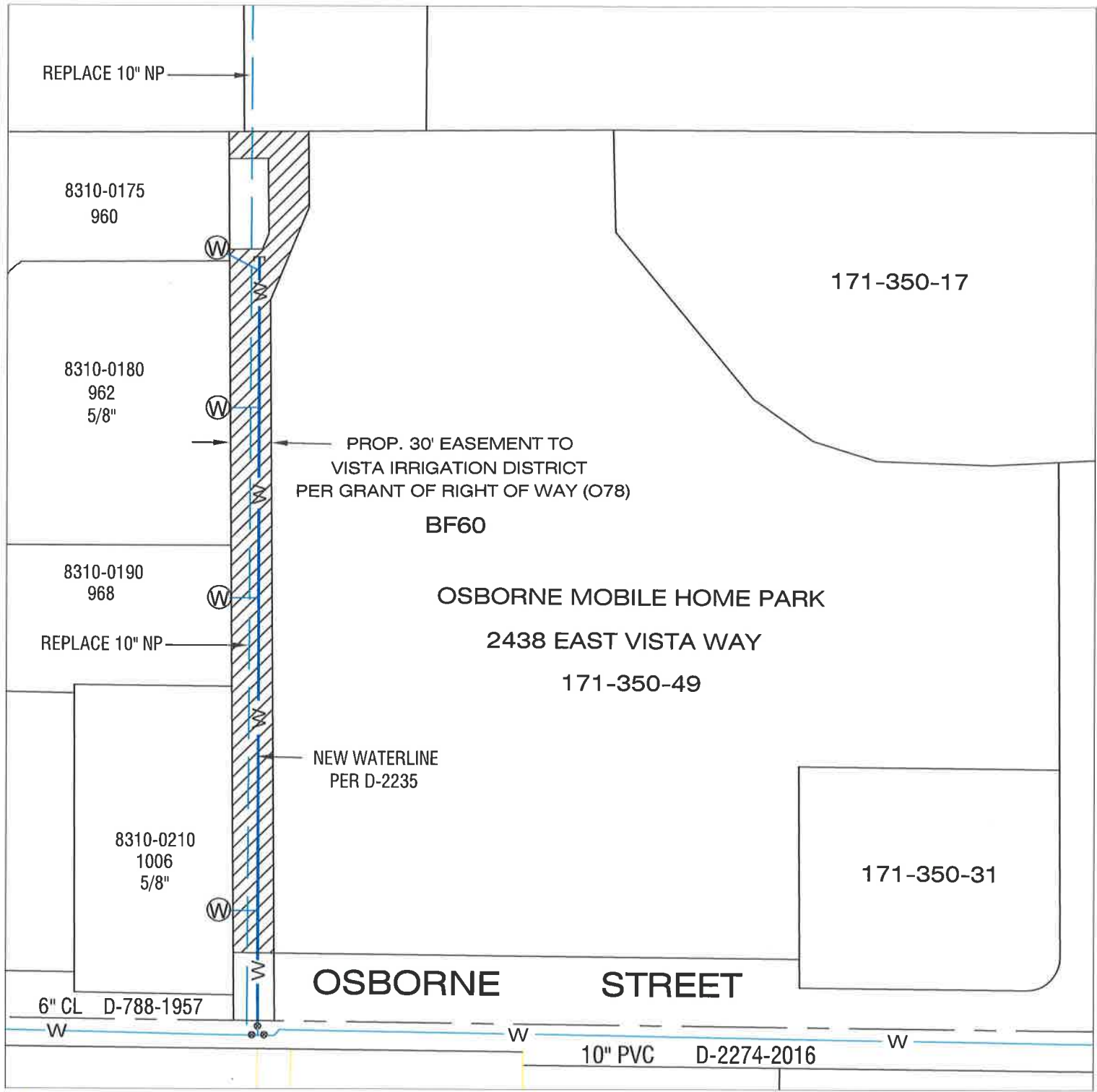
FISCAL IMPACT: None.

SUMMARY: The acceptance of Grant of Right of Way (O78) will allow the District to secure a dedicated specific easement over a future waterline to be located within an existing private access road easement through the Osborne Mobile Home Park. This pipeline is part of the larger East Vista Way-Mason Road Pipeline project that will relocate an existing older steel main into East Vista Way and Mason Road. The project is being delayed until such time street improvements along East Vista Way are constructed by proposed future developments.

The District currently has Blanket Easement (BF60) encumbering the entire property.

ATTACHMENT: Map

EXHIBIT 'A'



VISTA IRRIGATION DISTRICT			
GRANT OF RIGHT OF WAY (O78)			
APN	171-350-49	T.B.	1087-J1
SCALE	NTS	L.N.	2011-023
APPD. BY	<i>Am</i>	DATE	<i>12/15/17</i>
DRAWN BY	J.V.	DATE	12/12/17
SHEET	1 OF 1	MAP	G7
REVISED: 12/15/17		AI Ducusin	
PATH: H:\DRAWINGS\E.Vista Way Mason Rd (2).dwg			

W.O. D-2235

Cash Disbursement Report



Payment Dates 11/22/2017 - 12/20/2017

Payment Number	Payment Date	Vendor	Description	Amount
57623-57629	11/29/2017	Refund Checks 57623-57629	Customer Refunds	1,658.29
57630	11/29/2017	ABABA Bolt	Buoy Anchor Hardware	266.22
57631	11/29/2017	Airgas USA LLC	Welder - Truck 65	4,818.58
57632	11/29/2017	American Water Works Association	AWWA M68 Manual	117.50
57633	11/29/2017	Asbury Environmental Services	Used Oil Disposal	85.00
57634	11/29/2017	ASCE	Membership Dues 2018	295.00
57635	11/29/2017	Basic pacific	Flexible Benefit Service/Cobra 11/2017	254.00
57636	11/29/2017	California Chamber of Commerce	Membership Renewal 1/3/18-1/3/19	988.00
57637	11/29/2017	California Crane Safety Consulting	Onsite Crane Inspections	2,650.00
57638	11/29/2017	California Special Districts Association	Membership Dues 2018	6,842.00
57639	11/29/2017	Cal-West Concrete Cutting	Saw cut Concrete	225.00
57640	11/29/2017	Cecilia's Safety Service Inc	Traffic Control Flaggers	340.00
57641	11/29/2017	Todd Groundwater, Inc.	Warner Basin Groundwater Assessment 10/2017	14,397.50
57642	11/29/2017	Department of Consumer Affairs	Certificate Renewal	115.00
57643	11/29/2017	DIRECTV	Direct TV Service	83.24
57644	11/29/2017	El Camino Rental	Scaffold Rental -HP Reservoir	205.20
57645	11/29/2017	Escondido Metal Supply	Stainless Bar for Drain Gates - HP Reservoir	58.69
57646	11/29/2017	FedEx Office	Printing	25.00
57647	11/29/2017	Ferguson Waterworks	Meter 5/8" x 3/4" electronic read (100)	13,813.57
57648	11/29/2017	Geib Lumber Company	Lumber	20.23
57649	11/29/2017	Glennie's Office Products Inc	Office Supplies	84.39
57650	11/29/2017	Grainger	Drill, Cable Tie Mounts	28.63
	11/29/2017		Power Terminal Blocks	63.28
	11/29/2017		Regulator Speed Control	90.89
	11/29/2017		Label Maker Tape & Cleaner	104.81
	11/29/2017		Spray Bottles	9.76
57651	11/29/2017	Hawthorne Machinery Co	Travel Time/Environmental Fee - B22	211.85
57652	11/29/2017	HealthFax, Inc	Health Screening - Health Fair	1,390.00
57653	11/29/2017	Hidden Valley Pump Sys Inc	Pump & Motor	2,168.56
	11/29/2017		PVC Pipe, Couplings	905.10
57654	11/29/2017	HUB Construction Specialties	Form Tubes, Rebar	284.83
	11/29/2017		Rebar Cutter	317.86
57655	11/29/2017	I-15 Express Lanes Customer Service Center	I-15 Express Lane Acct - Transponder 11/17	200.00
57656	11/29/2017	IDEXX Distribution Corporation	Lab Supplies	2,170.97
57657	11/29/2017	InfoSend Inc	Mailing Service 10/2017	5,027.48
	11/29/2017		Data Processing 10/2017	2,072.04

Payment Number	Payment Date	Vendor	Description	Amount
57658	11/29/2017	Liebert Cassidy Whitmore	Legal Services 10/2017	910.00
	11/29/2017		Legal Update Webinar 12/13/2017	70.00
	11/29/2017		Webinar 11/12/17	50.00
57659	11/29/2017	Major League Pest/Gemini Pest Control	Bee Removal (8)	680.00
57660	11/29/2017	Moodys	Dump Fees (2)	400.00
57661	11/29/2017	Mutual of Omaha	LTD/STD/Life Insurance 12/2017	6,450.51
57662	11/29/2017	North County Auto Parts	Battery - Truck 30	136.55
	11/29/2017		Diesel Fuel Storage Treatment - P16	31.87
57663	11/29/2017	One Source Distributors	Air Monitor Calibration Gas Cylinder	194.85
57664	11/29/2017	Pacific Pipeline Supply	Ball Valves	458.58
57665	11/29/2017	RC Auto & Smog	Smog Inspection - Truck #27	50.00
	11/29/2017		Smog Inspection - Truck #58	50.00
57666	11/29/2017	Red Wing Shoe Store	Footwear Program (3)	525.00
57667	11/29/2017	Rutan & Tucker LLP	Legal 10/2017	4,246.15
	11/29/2017		Legal 10/2017	255.00
	11/29/2017		Legal 10/2017	637.50
	11/29/2017		Legal 10/2017	25.50
	11/29/2017		Legal 10/2017	102.00
	11/29/2017		Legal 10/2017	56.00
57668	11/29/2017	San Diego Gas & Electric	Electric 11/2017 - Henshaw Building & Grounds	635.60
	11/29/2017		Electric 11/2017 - Well Field	12,434.83
	11/29/2017		Electric 11/2017 - Warner Ranch House	42.17
	11/29/2017		Electric 10/2017 - T&D	16.77
57669	11/29/2017	Santa Fe Car Wash	Car Washes (50)	400.00
57670	11/29/2017	SignArt	VID Door Decals	435.46
57671	11/29/2017	SiteOne Landscape Supply, LLC	PVC Parts	22.08
	11/29/2017		PVC Parts	113.00
57672	11/29/2017	Steven Enterprises Inc	Film	213.91
57673	11/29/2017	Midas Service Experts	Tires - Truck 43	457.17
57674	11/29/2017	TS Industrial Supply	Hose Guide, Brackets, Ball Hitch, Reel Fitting	431.00
	11/29/2017		Vest Lime Hi-Viz 2XL (10)	151.55
	11/29/2017		Broom 24" Push (12)	599.42
	11/29/2017		Supplies for Hydraulic Valve Maintenance	133.95
	11/29/2017		Pressure Gauges (12)	243.54
57675	11/29/2017	VG Donuts & Bakery Inc	Board Meeting 11/15/17	28.66
57676	11/29/2017	Vista Firestone Brake & Smog	Tires (2) - P16	220.99
57677	11/29/2017	Vortex Industries Inc	Replaced Safety Edge on Rollup Door	795.00
57678	11/29/2017	WaterISAC	Membership Dues 2018	1,999.00
57679	11/29/2017	White Nelson Diehl Evans LLP	Audit Services 10/2017	4,000.00
57680	11/29/2017	WorkPartners OHS	Physical - New Hire	425.00
	11/29/2017		Physical - DOT	85.00

Payment Number	Payment Date	Vendor	Description	Amount
57681-57682	12/06/2017	Refund Checks 57681 - 57682	Customer Refunds	1,554.36
57683	12/06/2017	Aquajet Art	Steel Wedges	107.75
57684	12/06/2017	AT&T	20Mbps Internet Service 10/19/17-11/18/17	1,076.10
57685	12/06/2017		CALNET3 10/13/17 - 11/12/17 Phones	1,019.36
	12/06/2017		CALNET3 10/13/17 - 11/12/17 Teleconference	1.22
57686	12/06/2017	Big Drip Plumbing	Meter Tie Backs	8,250.00
57687	12/06/2017	Boot Barn Inc	Footwear Program	175.00
57688	12/06/2017	Brett Hodgkiss	ACWA Conference - R Whitmann	5.35
	12/06/2017		ACWA Conference - R Vasquez	7.15
	12/06/2017		ACWA Conference - J MacKenzie	25.80
	12/06/2017		ACWA Conference - M Miller	4.40
	12/06/2017		ACWA Conference - P Dorey	27.60
	12/06/2017		ACWA Conference - P Sanchez	7.15
	12/06/2017		ACWA JPIA , ACWA Conference - B Hodgkiss	96.95
57689	12/06/2017	Capital One Commercial	Warehouse Supplies	110.33
	12/06/2017		Refreshments - Training	76.82
	12/06/2017		Refreshments - Health Fair, Training	197.93
57690	12/06/2017	CDW Government Inc	Cisco GLC-SX-MMD SFPs	1,759.06
57691	12/06/2017	Cecilia's Safety Service Inc	Traffic Control - Deer Springs Rd/Sycamore	595.00
	12/06/2017		Traffic Control - Olive Ave	817.50
	12/06/2017		Traffic Control - Mulberry Dr	382.50
	12/06/2017		Traffic Control - Vista Royal	680.00
57692	12/06/2017	City Of Escondido	Escondido Water Treatment Plant 09/17 - 10/17	285,050.00
57693	12/06/2017	City of Vista	Annual Sewer Charges 07/17 - 06/18	4,625.00
57694	12/06/2017	Coastal Chlorination & Backflow	Chlorination of Water Main	378.00
57695	12/06/2017	EDCO Waste & Recycling Services Inc	Trash & Recycle 11/2017	212.05
57696	12/06/2017	El Camino Rental	Concrete	210.52
57697	12/06/2017	Eldon Boone	ACWA Conference - R Whitmann	62.30
	12/06/2017		ACWA Conference - J MacKenzie	69.30
	12/06/2017		ACWA Conference - R Vasquez	58.97
	12/06/2017		ACWA Conference - P Sanchez	58.97
	12/06/2017		ACWA Conference - P Dorey	65.97
	12/06/2017		ACWA Conference - M Miller	61.97
	12/06/2017		ACWA Conference - B Hodgkiss	58.96
	12/06/2017		ACWA Conference - E Boone	120.30
57698	12/06/2017	Electrical Sales Inc	Electrical Crimp Lugs	29.69
57699	12/06/2017	Endicott Comm., Inc - CV	Answering Service 11/2017	230.97
57700	12/06/2017	Ferguson Waterworks	Brass Material - Stock	1,873.66
	12/06/2017		Brass Parts	619.76
	12/06/2017		Disc & Diaphragm Kits	(1,526.33)
57701	12/06/2017	Coast Fitness Repair Shop	Fitness Equipment Maintenance	200.00

Payment Number	Payment Date	Vendor	Description	Amount
57702	12/06/2017	Glennie's Office Products Inc	Office Supplies	80.18
	12/06/2017		Office Supplies	70.28
	12/06/2017		Office Supplies	76.77
57703	12/06/2017	Grainger	Motor/Pump Maintenance Supplies	85.26
57704	12/06/2017	Home Depot Credit Services	Retirement Gift	399.96
	12/06/2017		Concrete Tool	28.08
	12/06/2017		Power Washer	648.42
	12/06/2017		Power Washer Tip	16.19
	12/06/2017		Sealer, Hose "Y"	108.99
	12/06/2017		Rebar Caps	137.54
	12/06/2017		Vent Cover Material	33.08
	12/06/2017		Fluke Meter Protective Cases	27.30
	12/06/2017		Cord, Lexan Sheets	15.03
	12/06/2017		Pressure Reducing Regulator	99.33
	12/06/2017		Green Wire	263.81
	12/06/2017		Inverter & Material for Trucks	68.08
	12/06/2017		Door for Plant 3	426.17
	12/06/2017		Material for Plant 3	73.34
	12/06/2017		Material for Plant 3	54.59
57705	12/06/2017	Jo MacKenzie	ACWA Fall Conference	1,074.92
57706	12/06/2017	Joe's Paving	Asphalt Paving - HB Reservoir	11,985.85
57707	12/06/2017	Ken Grody Ford Carlsbad	Wire Harnesses - Truck 48	111.16
57708	12/06/2017	Kimball Midwest	Electrical Supplies, Degreaser, Coolant Spray	394.37
57709	12/06/2017	Lightning Messenger Express	Messenger Service 11/09/17	16.00
57710	12/06/2017	Mar-Con-Products Inc	Concrete - "A" Reservoir	1,482.30
57711	12/06/2017	Mission Resource Conservation District	Home Water Use Evaluation 11/2017	62.50
57712	12/06/2017	Mitchell Instrument Co	Electrical Rubber Gloves	382.65
57713	12/06/2017	Moodys	Dump Fees (4)	800.00
	12/06/2017		Dump Fee	200.00
57714	12/06/2017	North County Auto Parts	Engine Parts - Truck 48	376.85
	12/06/2017		Harness Plug - Truck 48	30.84
	12/06/2017		Grease	140.73
	12/06/2017		Oil Filters, Shop Supplies	138.46
	12/06/2017		Filters, Oil, Ozzy Juice	141.15
57715	12/06/2017	North County Industrial Park	Association Fees 12/2017 - 1391 Engineer St	879.30
57716	12/06/2017		Association Fees 12/2017 - Pipeline	256.40
57717	12/06/2017	One Source Distributors	Switches, Indicator Lights, Labels	501.52
	12/06/2017		Control Panel Indicator Labels	51.92
57718	12/06/2017	Ontario Refrigeration	Replaced Existing A/C Units and Isolation Valves	22,840.00
57719	12/06/2017	O'Reilly Auto Parts	Mounting Kits, Rack - Truck 46	357.23
	12/06/2017		Caliper Tool	8.65

Payment Number	Payment Date	Vendor	Description	Amount
	12/06/2017		Tool Boxes	767.64
57720	12/06/2017	Pacific Pipeline Supply	Tubing .75" Copper Soft (240)	844.35
	12/06/2017		Tubing 1" Copper Soft (1200)	5,325.90
	12/06/2017		Curb Stop 1" Flare (20)	1,895.46
	12/06/2017		Ball Valve 1" Brass Lockwing (50)	3,767.10
	12/06/2017		Coupling 4" Deflection C900 (10)	163.89
	12/06/2017		Gate Valve 6" POxFL R/W C900 (10)	6,549.13
	12/06/2017		Gate Valve 8" R/S Cast Iron Flange (6)	6,105.29
	12/06/2017		Coupling 8" Deflection C900 (10)	615.29
	12/06/2017		Coupling 6" Deflection C900 (10)	256.34
	12/06/2017		Gate Valve 8" POxFL R/W C900 (5)	5,168.94
	12/06/2017		Air Vent Enclosure (6)	2,286.24
	12/06/2017		Ball Valve 1" Brass Lockwing (100)	7,534.20
	12/06/2017		Corp Stop 2" (35)	6,743.98
	12/06/2017		Curb Stop 1" Flare (60)	5,686.37
	12/06/2017		Air Vac Enclosure	379.28
57721	12/06/2017	Pacific Safety Center	Fire Extinguisher Training	575.00
57722	12/06/2017	Raymond Handling Solutions Inc	Forklift Inspection	98.00
57723	12/06/2017	RC Auto & Smog	Air Conditioner Repair - Truck 63	525.10
	12/06/2017		Smog Inspection - Truck 67	50.00
	12/06/2017		Smog Inspection - Truck 34	50.00
	12/06/2017		Smog Inspection - Truck 23	50.00
57724	12/06/2017	Richard Brady & Associates, Inc	HP Reservoir Rehab Construction 10/2017	569,585.79
57725	12/06/2017	Rincon del Diablo MWD	MD Reservoir Water Service 11/2017	41.78
57726	12/06/2017	San Diego County Vector Control Program	County Mosquito Control 07/2017 - 06/2018	328.76
57727	12/06/2017	San Diego Friction Products	Brake Valve Exhaust Rebuild Kit - Truck 51	29.20
57728	12/06/2017	San Diego Gas & Electric	Gas 11/2017	425.54
57729	12/06/2017	San Diego Gas & Electric	Electrical Transmission 11/2017	3,937.62
57730	12/06/2017	Sherry Thorpe	Reimbursement- Job Recruitment Ad	70.00
	12/06/2017		Reimbursement- New Hire Lunch (5)	82.54
57731	12/06/2017	Shred-it USA LLC	Document Destruction	97.85
57732	12/06/2017	SignArt	Door Decals	257.04
57733	12/06/2017	Simon Giftcard Corporation	Employee Giftcards/Service Awards 12/2017	710.65
57734	12/06/2017	Southern Counties Lubricants, LLC	Fuel 11/01/15-11/15/17	5,269.90
57735	12/06/2017	State Board of Equalization	Water Rights Fee 07/01/17-06/30/18	149.89
57736	12/06/2017	Sunrise Materials Inc	Blocks for Wall - "A" Reservoir	713.21
	12/06/2017		Concrete Mix - "A" Reservoir	27.06
	12/06/2017		Concrete	33.56
	12/06/2017		End Blocks - "A" Reservoir	4.11
	12/06/2017		Cement - "A" Reservoir	33.56
57737	12/06/2017	Technology Unlimited	Roller Kit for Check Scanner	48.71

Payment Number	Payment Date	Vendor	Description	Amount
57738	12/06/2017	The San Diego Union-Tribune LLC	Recruitment Advertisement	999.00
57739	12/06/2017	TS Industrial Supply	Abrasive Roll 120G (22)	355.56
	12/06/2017		Measuring Tape 25' (25)	450.59
	12/06/2017		Wrench .75" One Hand (10)	1,032.36
	12/06/2017		Wrench 1.25" One Hand (10)	1,216.57
	12/06/2017		Tools & Supplies for Regulator Maintenance	106.89
57740	12/06/2017	UniFirst Corporation	Uniform Service	345.46
	12/06/2017		Uniform Service	344.74
57741	12/06/2017	Verizon Wireless	Air Cards 10/13/17 - 11/12/17	76.02
	12/06/2017		Cell Phones 10/16/17-11/15/17	1,324.11
	12/06/2017		SCADA Remote Access 10/21/17 - 11/20/17	283.24
57742	12/06/2017	Vista Firestone Brake & Smog	Tires, Tie Rod Ends, Alignment - Truck 1	1,319.01
57743	12/06/2017	Vista Lock & Safe Co	Keys, Pouches	62.14
57744	12/06/2017	Vista Paint Corporation	Paint	65.08
57745	12/06/2017	Water District Jobs	Recruitment Advertisement	145.00
57746-57754	12/13/2017	Refund Checks 57746 - 57754	Customer Refunds	1,242.83
57755	12/13/2017	Refund Check 57755	Customer Refund	4.91
57756	12/13/2017	ACWA/JPIA	Medical & Dental Insurance 01/2018- Cobra	69.09
	12/13/2017		Medical & Dental Insurance 01/2018- Cobra	69.09
	12/13/2017		Medical & Dental Insurance 01/2018- Cobra	792.40
	12/13/2017		Medical & Dental Insurance 01/2018 - Employees	167,646.20
	12/13/2017		Medical & Dental Insurance 01/2018 - Retirees	35,351.39
	12/13/2017		Medical & Dental Insurance 01/2018 - P Dorey	1,576.55
	12/13/2017		Medical & Dental Insurance 01/2018 - J MacKenzie	1,806.00
	12/13/2017		Medical & Dental Insurance 01/2018 - M Miller	1,806.00
	12/13/2017		Medical & Dental Insurance 01/2018 - P Sanchez	1,806.00
	12/13/2017		Medical & Dental Insurance 01/2018 - R Vasquez	1,576.55
57757	12/13/2017	Ara's Party Rental LLC	2017 Employee Appreciation Event 12/19/17	625.25
57758	12/13/2017	Bekker's Catering	2017 Employee Appreciation Event 12/19/17	3,133.87
57759	12/13/2017	Big Apple Bagels	Bagels 11/14/17 - All Hands & Training	61.07
57760	12/13/2017	California Department of Justice	Pre-employment Fingerprinting	49.00
57761	12/13/2017	Cecilia's Safety Service Inc	Traffic Control - Copper Ave/W Vista Way	382.50
	12/13/2017		Traffic Control - S Melrose Dr	2,215.00
57762	12/13/2017	CWEA	Certification & Membership Renewal	275.00
57763	12/13/2017	CWEA	Certification & Membership Renewal	275.00
57764	12/13/2017	Diamond Environmental Services	Portable Restroom Service	84.48
	12/13/2017		Portable Restroom Service	103.93
	12/13/2017		Stationary & Portable Service	282.67
57765	12/13/2017	Direct Energy	Electric 11/2017 - VID	1,544.17
	12/13/2017		Electric 11/2017 - Henshaw Buildings & Grounds	335.04
	12/13/2017		Electric 11/2017 - Henshaw Well Field	483.28

Payment Number	Payment Date	Vendor	Description	Amount
	12/13/2017		Electric 11/2017 - T & D / Cathodic Protection	29.44
	12/13/2017		Electric 11/2017 - Reservoirs	6.69
	12/13/2017		Electric 11/2017 - Pump Stations	2,897.23
	12/13/2017		Electric 11/2017 - Treatment Plants	24.20
57766	12/13/2017	EDCO Waste & Recycling Services Inc	40 Yard Dumpster	425.98
57767	12/13/2017	El Camino Rental	Concrete	162.38
	12/13/2017		Tamper Parts - Truck 11	533.05
57768	12/13/2017	Geib Lumber Company	Lumber	13.46
	12/13/2017		Lumber	8.07
	12/13/2017		Bolt Kit	13.83
	12/13/2017		Lumber	32.30
57769	12/13/2017	Glennie's Office Products Inc	Office Supplies	8.79
57770	12/13/2017	Grainger	Ice Maker	975.20
	12/13/2017		Ice Maker	(975.20)
	12/13/2017		Ice Machine, Under counter - Manitowoc	2,952.49
57771	12/13/2017	Inland Water Works Supply Co	Meter 100W ERT (120)	9,742.50
57772	12/13/2017	Jackson & Blanc	Replaced Chemical Feeder on Hot Water System	1,375.00
57773	12/13/2017	Major League Pest/Gemini Pest Control	Bee Removal (10)	850.00
	12/13/2017		Monthly Pest Control	93.00
57774	12/13/2017	Mar-Con-Products Inc	Concrete Pump	575.39
57775	12/13/2017	Medical Eye Services	Vision Insurance 01/2018 - Cobra	14.24
	12/13/2017		Vision Insurance 01/2018 - Cobra	8.78
	12/13/2017		Vision Insurance 01/2018 - Cobra	14.24
	12/13/2017		Vision Insurance 01/2018 - Cobra	28.48
	12/13/2017		Vision Insurance 01/2018 - Employees	1,638.64
	12/13/2017		Vision Insurance 01/2018 - M Miller	14.24
	12/13/2017		Vision Insurance 01/2018 - R Vazquez	14.24
	12/13/2017		Vision Insurance 01/2018 - P Sanchez	14.24
	12/13/2017		Vision Insurance 01/2018 - P Dorey	14.24
	12/13/2017		Vision Insurance 01/2018 - J MacKenzie	14.24
57776	12/13/2017	North County Auto Parts	Battery Core - Truck 30	(14.07)
	12/13/2017		Fuel Pump - Truck 24	385.46
	12/13/2017		Shop Supplies, Oil, Filters	98.89
	12/13/2017		Pintle Hitch, Adjustable Mount	191.74
	12/13/2017		Ball Mount	23.09
	12/13/2017		Oil Filter - Car 50	4.17
	12/13/2017		Trailer Ball	(23.09)
57777	12/13/2017	One Source Distributors	Fault Light Indicator Labels	12.98
57778	12/13/2017	Pacific Pipeline Supply	Sewer Drain Pipe	21.77
	12/13/2017		Companion Flange	108.91
	12/13/2017		Couplings (8)	75.77

Payment Number	Payment Date	Vendor	Description	Amount
57779	12/13/2017	Benetrac	Employee Benefits Tracking 12/2017	400.00
57780	12/13/2017	Ramco Petroleum	Fuel 11/2017	958.81
57781	12/13/2017	Ramona Disposal Service	Trash Service 11/2017	161.10
57782	12/13/2017	RES America Construction Inc	Refund Construction Meter Deposit	249.90
57783	12/13/2017	San Diego Friction Products	Work Lamp - Truck 10	294.22
	12/13/2017		Tail Lamps - Truck 40	39.25
	12/13/2017		Brake Controller, Back-up Alarm, Adapter	150.49
57784	12/13/2017	San Diego Gas & Electric	Electric 11/2017 - T&D	72.22
	12/13/2017		Electric 11/2017 - Reservoirs	40.60
57785	12/13/2017	SignArt	No Trespassing Signs	355.58
57786	12/13/2017	SiteOne Landscape Supply, LLC	Lid	10.53
	12/13/2017		Couplings (4)	26.72
	12/13/2017		Couplings (20)	133.56
57787	12/13/2017	Southern Counties Lubricants, LLC	Fuel 11/15/2017 - 11/30/2017	4,362.60
57788	12/13/2017	State Water Resources Control Board	Portable Water Discharge Fee 07/2017 - 06/2018	2,062.00
57789	12/13/2017	Technology Unlimited	Maintenance & Software License Renewal	2,728.00
57790	12/13/2017	TS Industrial Supply	Rubber Boots	21.94
	12/13/2017		Fire Hose	129.90
57791	12/13/2017	UniFirst Corporation	Uniform Service	379.76
57792	12/13/2017	VG Donuts & Bakery Inc	Board Meeting 12/06/17	88.66
	12/13/2017		Board Refreshments 12/11/17	28.66
57793	12/13/2017	Vinje & Middleton Engineering Inc	Compaction Test	1,186.25
	12/13/2017		Compaction Test	546.25
	12/13/2017		Compaction Test	290.00
57794	12/13/2017	Vista Firestone Brake & Smog	Alignment - Truck 70	96.00
57795-57799	12/20/2017	Refund Checks 57795 - 57799	Customer Refunds	1,185.10
57800-57803	12/20/2017	Refund Checks 57800 - 57803	Customer Refunds	2,619.60
57804	12/20/2017	Active Auto Collision	Painted Tool Boxes & Equipment Racks	3,500.00
57805	12/20/2017	Ironwood Plumbing	Meter Tie-Back	1,800.00
57806	12/20/2017	Hendey Meter	3" Hendy Fire Hydrant Meters (2)	1,894.38
57807	12/20/2017	Asbury Environmental Services	Used Oil & Absorbent Pickup	169.80
57808	12/20/2017	Bearcom	2-Way Radio Installations - Trucks 46 & 65	984.34
57809	12/20/2017	Basic pacific	Flexible Benefit Service/Cobra 02/2017	258.60
	12/20/2017		Flexible Benefit Service/Cobra 03/2017	258.60
	12/20/2017		Flexible Benefit Service/Cobra 07/2016	249.40
57810	12/20/2017	Big Drip Plumbing	Meter Tie Backs	1,150.00
	12/20/2017		Meter Tie Backs	6,350.00
57811	12/20/2017	Boot Barn Inc	Footwear Program	156.44
57812	12/20/2017	Canon Solutions America, Inc	Copier Maintenance	133.28
57813	12/20/2017	CDW Government Inc	Shavlik SCCM Software	494.00
57814	12/20/2017	Cecilia's Safety Service Inc	Traffic Control - Bandini Place	1,020.00

Payment Number	Payment Date	Vendor	Description	Amount
	12/20/2017		Traffic Control - Riveria Dr	1,190.00
	12/20/2017		Traffic Control - York Dr	1,360.00
	12/20/2017		Traffic Control - Galaxy Dr	935.00
	12/20/2017		Traffic Control- Crestview Rd	850.00
	12/20/2017		Traffic Control - El Norte Pkwy/Sybil Ct	1,852.50
	12/20/2017		Traffic Control - N Nutmeg St	3,230.00
	12/20/2017		Traffic Control - Vale Terrace/Alta Vista	1,235.00
	12/20/2017		Traffic Control - El Norte Pkwy/Sybil Ct	2,300.00
57815	12/20/2017	City of Encinitas	Landscape Contest Ad Cost Share	20.00
57816	12/20/2017	Clinical Lab of San Bernardino Inc	Stage 2 Samples	920.00
57817	12/20/2017	Core & Main	Adapter Fire Hydrant Swivel 2.5"x2.5" (5)	341.00
57818	12/20/2017	Craneworks Southwest Inc	Hydraulic Hose - B21	202.62
57819	12/20/2017	Todd Groundwater, Inc.	Warner Basin Groundwater Assessment 11/2017	6,680.00
57820	12/20/2017	Digital Deployment, Inc	Website Hosting, Maintenance & Support	300.00
57821	12/20/2017	D & H Water Systems, Inc	Chlorine Analyzer Probes (2)	2,703.93
57822	12/20/2017	Drug Testing Network Inc	Annual Administrative Fee	95.00
57823	12/20/2017	EDCO Waste & Recycling Services Inc	40 Yd Dumpster - Sidall Dr	531.50
57824	12/20/2017	Electrical Sales Inc	Wire	31.28
	12/20/2017		Breaker Disconnect Handle	224.61
57825	12/20/2017	Employee Relations, Inc	Pre-Employment Reports	67.85
57826	12/20/2017	Escondido Metal Supply	Metal Plates - Truck 65	76.86
57827	12/20/2017	Eurofins Eaton Analytical Inc	Nitrate Samples	120.00
57828	12/20/2017	Ferguson Waterworks	Coupling 8" Deflection C900 (6)	369.89
	12/20/2017		Ell 8" Cast Iron PO 45 Degree (4)	405.33
	12/20/2017		Tee 8x4 Cast Iron Flange (1)	193.85
	12/20/2017		Wire 10 Copper (2000)	422.18
	12/20/2017		Pipe 12" PVC DR-14 C900 (20)	489.94
	12/20/2017		Gate Valve 4" POxFL R/W C900 (1)	498.50
	12/20/2017		Coupling 8" Repair Macro (1)	265.21
	12/20/2017		Cover 8" Valve Cast Iron Water (10)	248.98
	12/20/2017		Coupling 6" Repair Macro (1)	232.74
	12/20/2017		Adapter 2" MIP Schedule 80 SxT (20)	227.33
	12/20/2017		DFW Meter Box Large (2)	207.84
	12/20/2017		Tee 8x6 Cast Iron POxFL (4)	559.13
	12/20/2017		Adapter 8" Cast Iron POxFL (2)	186.64
	12/20/2017		Gate Valve 6" POxFL R/W C900 (5)	3,283.17
	12/20/2017		DFW Meter Box Lid Small (31)	1,778.55
	12/20/2017		Service Saddle 8x2 C900 PVC (7)	881.49
	12/20/2017		Pipe 8" PVC DR-14 C900 (1600)	18,237.96
	12/20/2017		Fire Hydrant Check Valve (4)	5,183.01
	12/20/2017		Zinc Anode bag 30lb (33)	4,108.10

Payment Number	Payment Date	Vendor	Description	Amount
	12/20/2017		Tubing 1" Copper Soft (700)	3,341.68
	12/20/2017		Curb Stop 1" Flare (23)	3,018.55
	12/20/2017		Service Saddle 8x1 C900 PVC (23)	2,713.83
	12/20/2017		Service Saddle 4x1 C900 PVC (10)	768.58
	12/20/2017		Curb Stop 2" FNPT X MNPT (10)	2,673.78
	12/20/2017		Gate Valve 8" POxFL R/W C900 (2)	2,075.48
	12/20/2017		Pipe 4" PVC DR-14 C900 (560)	1,897.41
	12/20/2017		Service Saddle 4x2 C900 PVC (2)	184.03
	12/20/2017		Corp Stop 1" Flare (33)	1,597.15
	12/20/2017		Ell 6"x16" POxFL Bury Cast Iron (4)	930.95
	12/20/2017		Pipe 6" PVC DR-14 C900 (140)	929.00
	12/20/2017		DFW Meter Box Small (31)	2,449.70
	12/20/2017		Tee 8x6 Cast Iron Flange (1)	180.24
	12/20/2017		Coupling 4" Deflection C900 (2)	34.64
	12/20/2017		Tee 8" Cast Iron POxFL (1)	171.02
	12/20/2017		Pipe 2" PVC Schedule 80 (20)	32.04
	12/20/2017		Adapter 4" Cast Iron POxFL (1)	43.66
	12/20/2017		Coupling 4" Repair PVC C900 (2)	45.47
	12/20/2017		Coupling 6" Deflection C900 (2)	51.96
	12/20/2017		Coupling 4" Repair Macro (1)	175.37
	12/20/2017		Coupling 8" Repair PVC C900 (1)	71.45
	12/20/2017		Reducer 8x4 Cast Iron FL (1)	87.71
	12/20/2017		Service Saddle 6x2 C900 PVC (1)	111.50
	12/20/2017		DFW Meter Box Lid Large (2)	164.54
	12/20/2017		Coupling 6" Repair PVC C900 (2)	59.54
	12/20/2017		Sleeve 12" Galvanized Top Sections (8)	147.22
	12/20/2017		Tubing 2" Copper Soft (60)	906.05
	12/20/2017		Pipe 8" PVC DR-14 C900 (120)	1,367.85
	12/20/2017		Coupling 8" Deflection C900 (10)	617.03
	12/20/2017		Coupling 8" Repair Macro (2)	530.43
	12/20/2017		Wire 10 Copper (500)	105.54
	12/20/2017		Brass Bolts & Nuts	4,167.63
	12/20/2017		Zinc Anode bag 30lb (25)	3,112.19
	12/20/2017		Corp Stop 2" (10)	2,015.40
	12/20/2017		Meter Boxes	(541.25)
57829	12/20/2017	Advance Lift Services	Garage Lifts Inspection	260.00
57830	12/20/2017	Frontier Fence Co Inc	Fence Installation at HB Reservoir	8,500.00
57831	12/20/2017	D.H. Maintenance Services	Clean/Seal Tile Floors	475.00
	12/20/2017		Janitorial Service 12/2017	2,275.00
57832	12/20/2017	GLC-(CA) Vista LLC	Solar Use 11/2017	3,151.40
57833	12/20/2017	Glennie's Office Products Inc	Office Supplies	248.44

Payment Number	Payment Date	Vendor	Description	Amount
	12/20/2017		Office Supplies	124.83
	12/20/2017		Office Supplies	54.80
57834	12/20/2017	Government Finance Officers Association	CAFR Application Fee 12/2017	435.00
57835	12/20/2017	Grainger	High Pressure Sprayer	1,431.35
	12/20/2017		Battery, Extension Cord	42.78
57836	12/20/2017	Hach Company	Chlorine	900.20
	12/20/2017		Lab Supplies	399.90
57837	12/20/2017	Hawthorne Machinery Co	Fuel Line, Pump Flange Bolts	148.99
	12/20/2017		Hydraulic Hose, Stabilizer Pads	667.17
	12/20/2017		Plate & Seal	108.49
	12/20/2017		Bolts & Nuts - B16	10.71
57838	12/20/2017	Horton Knox Carter & Foote LLP	Legal 11/2017	329.94
57839	12/20/2017	Horton Knox Carter & Foote LLP	Legal Services 12/2017	12,000.00
57840	12/20/2017	Infrastructure Engineering Corporation	Shea Flume Relocation Construction 10/28/-11/24/17	1,260.00
57841	12/20/2017	JJ Septic & Drain Service Inc	Certify Septic Tanks (2) for Henshaw Residences	1,770.00
57842	12/20/2017	KEH & Associates, Inc	PO 1277 Group Job 1 Pipeline Repl Design 11/17	4,753.45
	12/20/2017		PO 1277 Group Job 2 Pipeline Repl PDR 11/17	22,427.18
57843	12/20/2017	Kimball Midwest	Shop Supplies - Drill Bits, Pump, Seal	339.27
	12/20/2017		Black Primer	161.73
57844	12/20/2017	Liebert Cassidy Whitmore	Legal Services 11/2017	735.00
57845	12/20/2017	Lighthouse Inc	LED Strobes & Brackets - Truck 10	195.48
57846	12/20/2017	San Diego Freightliner	Gasket, Seal	18.81
57847	12/20/2017	Major League Pest/Gemini Pest Control	Bee Removal (3)	255.00
57848	12/20/2017	Michael Bagshaw	Reimbursement for D3 Certification 12/2017	120.00
57849	12/20/2017	Moodys	Dump Fees (2)	400.00
	12/20/2017		Dump Fee	200.00
57850	12/20/2017	MRC, Smart Technology Solutions	Manage Print Service	940.70
57851	12/20/2017	Mutual of Omaha	LTD/STD/Life Insurance 01/2018	6,875.73
57852	12/20/2017	NAPA Auto Parts	Power Outlet, Bracket - Truck 74	30.82
57853	12/20/2017	North County Auto Parts	Shop Supplies, Filter, Trailer Ball	92.38
	12/20/2017		Spark Plugs (3)	11.46
	12/20/2017		Drill Bits	36.29
	12/20/2017		Motor Oil	21.63
	12/20/2017		Filters, Bulbs, Lube	143.62
57854	12/20/2017	North County Pool Center Inc	Chlorine	45.31
	12/20/2017		Container Return	(39.00)
	12/20/2017		Chlorine	23.54
57855	12/20/2017	One Source Distributors	PVC Coating	116.03
57856	12/20/2017	Pacific Pipeline Supply	Service Saddle	154.06
	12/20/2017		Reducing Companion Flange	254.15
	12/20/2017		Macro Repair Coupling	650.64

Payment Number	Payment Date	Vendor	Description	Amount
57857	12/20/2017	Pacific Safety Center	Membership Dues 11/01/17-10/31/18	280.00
57858	12/20/2017	Pollardwater	Proscope Meter Scope, Lens Kits	117.08
57859	12/20/2017	Quality Chevrolet	Fuel Cap - Truck 67	61.23
	12/20/2017		Hood Handle - Truck 51	47.49
	12/20/2017		Air Pressure Switch	52.90
57860	12/20/2017	Raymond Handling Solutions Inc	Forklift Repair	833.11
57861	12/20/2017	Roto-Rooter	Cleared Plumbing	510.00
57862	12/20/2017	RouseSign and Graphics Inc	Date Change Stickers	43.30
57863	12/20/2017	Rutan & Tucker LLP	Legal 11/2017	3,442.50
	12/20/2017		Legal 11/2017	76.50
	12/20/2017		Legal 11/2017	280.50
	12/20/2017		Legal 11/2017	2,167.50
	12/20/2017		Legal 11/2017	140.00
57864	12/20/2017	Volvo Construction Equipment & Services	Keys - E1	32.58
57865	12/20/2017	Sonsray Machinery LLC	Starter - B2	348.26
57866	12/20/2017	Spok, Inc	Pages 12/2017	29.08
57867	12/20/2017	State Water Resources Control Board	ELAP Certificate Renewal Fee	2,741.00
57868	12/20/2017	Sunrise Materials Inc	Concrete 90lb bag (210)	1,342.05
	12/20/2017		Gravel Bags	568.56
57869	12/20/2017	Tegriscap Inc	Landscape Maintenance Service	1,840.00
57870	12/20/2017	Midas Service Experts	Tire - VM1	95.12
57871	12/20/2017	The San Diego Union-Tribune LLC	Classified Listing for Telephone System	182.40
57872	12/20/2017	TS Industrial Supply	Abrasive Roll 120G	48.49
	12/20/2017		Vise - Truck 15	230.02
	12/20/2017		Water Fittings - Truck 10	25.67
	12/20/2017		Suction Hose, Fittings	396.23
57873	12/20/2017	Underground Service Alert of Southern California	DigAlert New Tickets 11/2017 (193)	328.45
57874	12/20/2017	UniFirst Corporation	Uniform Service	490.05
57875	12/20/2017	Union Bank	Groundwater,Watersheds & Substantial Mgmt Shortcourse	317.46
	12/20/2017		ACWA Fall Conference - R Whitmann	687.69
	12/20/2017		CRWUA Conference - P Sanchez	377.57
	12/20/2017		ACWA Fall Conference - M Miller	687.69
	12/20/2017		ACWA Fall Conference - P Dorey	210.60
	12/20/2017		CRWUA Conference - M Miller	202.96
	12/20/2017		CRWUA Conference -J MacKenzie	202.96
	12/20/2017		ACWA Fall Conference - P Dorey	935.55
	12/20/2017		CRWUA Conference - R Vasquez	(146.26)
	12/20/2017		ACWA Fall Conference - P Sanchez	687.69
	12/20/2017		ACWA Fall Conference - R Vasquez	687.69
	12/20/2017		CRWUA Conference - M Miller	505.00
	12/20/2017		ACWA Fall Conference - B Hodgkiss	916.92

Payment Number	Payment Date	Vendor	Description	Amount
	12/20/2017		ACWA Fall Conference - E Boone	687.69
57876	12/20/2017	VG Donuts & Bakery Inc	VID Employee Event	156.12
57877	12/20/2017	Video Fact Documentation Service	Pre-construction Video - San Luis Rey Proj	450.00
57878	12/20/2017	Vista Chamber of Commerce	Membership Renewal 2018	890.00
57879	12/20/2017	Vista Firestone Brake & Smog	Tires (6) -B19	950.85
57880	12/20/2017	Weseloh Chevrolet	Door Handle Assembly - Truck 71	47.01
57881	12/20/2017	Xerox Corporation	Xerox Monthly Meter Usage	40.64
Grand Total:				1,585,179.35



STAFF REPORT

Agenda Item: 7

Board Meeting Date: January 3, 2018
Prepared By: Marlene Kelleher
Reviewed By: Brett Hodgkiss
Approved By: Eldon Boone

SUBJECT: FISCAL YEAR 2017 AUDIT

RECOMMENDATION: Accept the Fiscal Year 2017 audit report by White Nelson Diehl Evans LLP.

PRIOR BOARD ACTION: None.

FISCAL IMPACT: None by this action. The fees for Fiscal Year 2017 audit services are \$23,240.

SUMMARY: The District's independent auditors, White Nelson Diehl Evans LLP, are issuing an unmodified opinion on the District's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. The CAFR will be discussed in detail during the Board meeting.

The independent auditors found no material weaknesses involving the internal control structure or its operation. However, as requested, the auditors have reviewed the District's best practices to evaluate potential enhancements to District procedures and have communicated, via memorandum, other matters that could enhance the District's best practices. Management's response to their finding is included in the letter. The letter will be discussed in detail during the Board meeting.

DETAILED REPORT: See attached financial statements and auditor's letters. Daphnie Munoz, CPA, Partner, White Nelson Diehl Evans LLP, will be in attendance to present the audit.

ATTACHMENTS:

- CAFR for the year ended June 30, 2017
- Summary of Audit Results Letter for the year ended June 30, 2017
- Management Letter for the year ended June 30, 2017
- Best Practices Letter for the year ended June 30, 2017



2017

Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2017



Prepared by:

The Finance Department
Marlene Kelleher, Finance Manager

Vista Irrigation District - Vista, CA

VID VISTA IRRIGATION DISTRICT

1391 Engineer Street · Vista, California 92081

Phone: (760) 597-3100 · Fax: (760) 598-8757

www.vidwater.org



A public agency serving the city of Vista and portions of San Marcos, Escondido, Oceanside and San Diego County

**Vista Irrigation District
Comprehensive Annual Financial Report**

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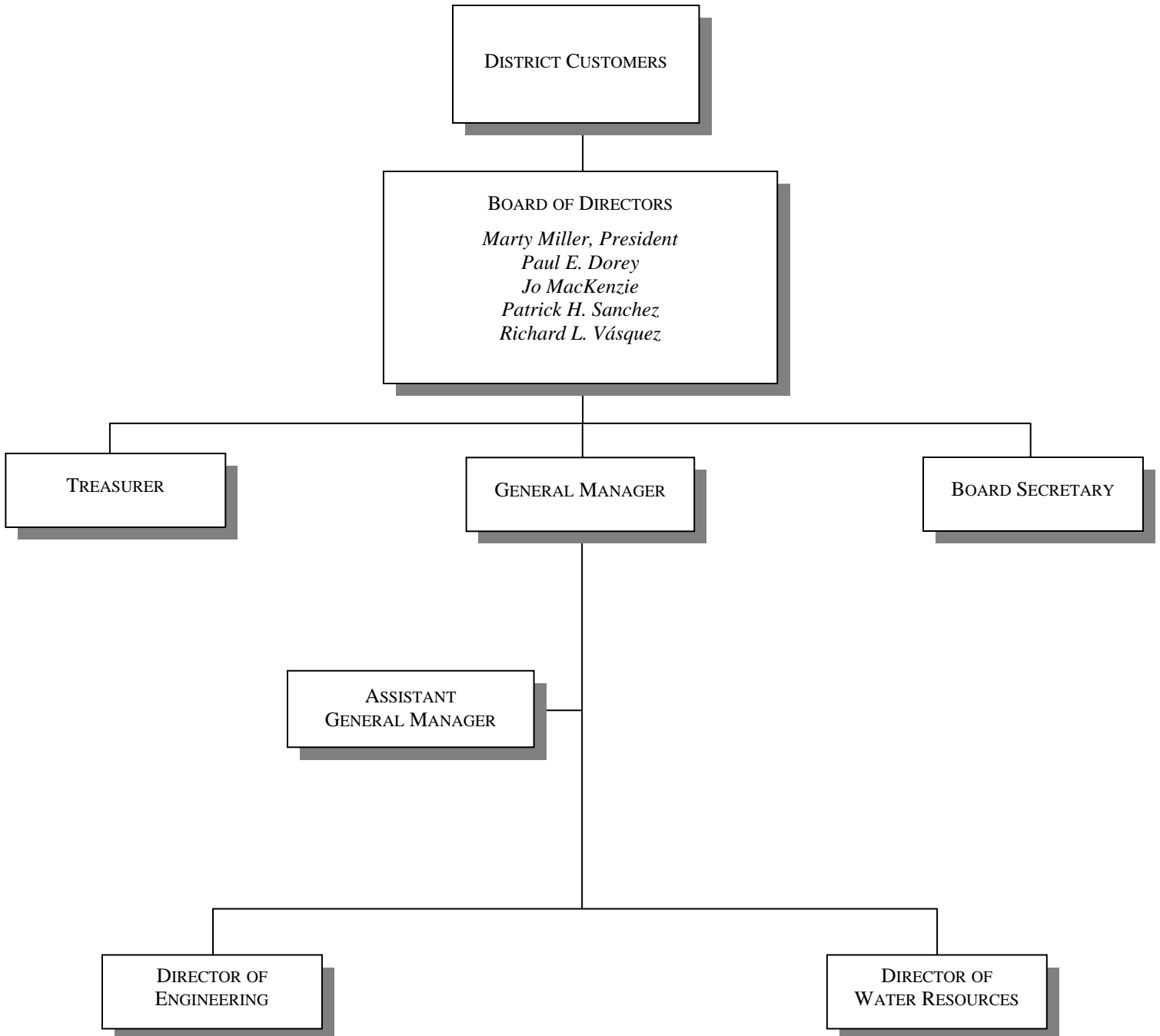
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Introductory Section



Organization Chart





1391 Engineer Street • Vista, California 92081-8840
Phone (760) 597-3100 • Fax: (760) 598-8757
www.vidwater.org

Board of Directors

Marty Miller, *President*
Paul E. Dorey
Jo MacKenzie
Patrick H. Sanchez
Richard L. Vásquez

Administrative Staff

Eldon L. Boone
General Manager/Treasurer
Brett L. Hodgkiss
Assistant General Manager
Lisa R. Soto
Board Secretary
Joel D. Kuperberg
General Counsel

December 12, 2017

To the Board of Directors and customers served by the Vista Irrigation District:

We are pleased to present the Vista Irrigation District's (the District's) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. The purpose of the report is to provide the Board of Directors, our customers, and any other interested parties with reliable financial information about the District.

The report was prepared by the District's Finance Department following guidelines set forth by the Governmental Accounting Standards Board (GASB) and generally accepted accounting principles (GAAP). Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including disclosures, rests with the District. We believe the data, as presented, is accurate in all material respects and that it is presented in a manner that provides a fair representation of the financial position and results of operations of the District. Included are all disclosures we believe necessary to enhance your understanding of the financial condition of the District. Internal controls are an important part of any financial reporting framework, and management of Vista Irrigation District has established a comprehensive framework of internal controls to provide a reasonable basis for asserting that the financial statements are fairly presented. Because the cost of an internal control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement Management's Discussion and Analysis and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

The District's financial statements have been audited by White Nelson Diehl Evans LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and

evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Profile of the District

District's Service Area

The District's service area consists of a 31-square mile area in the northwestern quadrant of San Diego County that lies west of the Interstate 15 Freeway and east of the Interstate 5 Freeway, encompassing approximately 21,160 acres. Within the District's boundaries are the City of Vista; portions of the cities of San Marcos, Escondido and Oceanside; and unincorporated areas of the county. The District provides potable water to its service area.

District's Authority

Vista Irrigation District is a special district of the State of California organized in 1923 under the Irrigation District Act (Water Code §20500, et. Seq.) and authorizing statutes (Water Code §22975, et. Seq.) and approved by voters on August 28, 1923 which coincided with the building of Henshaw Dam in 1923 by the San Diego County Water Company. Completion of the dam made it possible for the Vista community to receive a reliable source of water, instead of relying on wells in the area. In June 1946, the District purchased the San Diego County Water Company. Included in the purchase was the 43,000-acre Warner Ranch, which includes Henshaw Dam and Lake Henshaw. In 1954, the District became a member of the San Diego County Water Authority (SDCWA) in order to receive water imported from the Colorado River and Northern California.

The State of California Water Code also authorizes the District to exercise the power of eminent domain; to fix, revise and collect rates or other charges for the delivery of water, use of facilities or property, or provision of service; and to fix in each fiscal year, a water standby or availability charge on land within the boundaries of the District to which water is made available by the District. The District may also issue bonds, borrow money and incur indebtedness.

Governance

The District's Board of Directors is comprised of five members elected by the citizens within their geographical area. Each Director serves a four year staggered term and must be a resident of the division he or she represents. The District operates under a Board-Manager form of government. The General Manager is appointed by the Board, and administers the daily affairs of the District and carries out policies of the Board of Directors. The District employs a staff of 89 under the direction of the Board-appointed General Manager.

Water Services

The District serves more than 28,600 customers. Typically, thirty percent of the District's water comes from its local water supply, Lake Henshaw, and seventy percent comes from three imported water sources, the Colorado River, the Pacific Ocean (desalination), and the Sacramento River/San Joaquin River Delta in Northern California. The District currently delivers approximately 15,300 acre feet of water annually to its customers.

The water system operates over 473 miles of pipe, 12 storage reservoirs, and 7 pumping stations. The District jointly owns the Escondido-Vista water treatment plant with the City of Escondido. The Escondido-Vista water treatment plant (EVWTP) has a permitted capacity of 75 MGD and treats raw water before it is delivered to customers.

Local Economy

District Economic Results

The estimated population of the District is 133,286 as of fiscal year 2017. According to the San Diego Association of Governments (SANDAG), the median age of residents within the District as calculated during the most recent US Census, was 33.7 years and the median household income of residents in the City of Vista, which encompasses the majority of the District, was \$45,981. From 2007 to 2017 the population increased 9.6%, and median household income (adjusted for inflation) increased by 21.4%.

The demand for new connections increased, with the District's total service connections increasing in fiscal year 2017 from 28,478 connections to 28,622. Water sales for fiscal year 2017 were 15,335 acre feet, up 1,091 acre feet or 7.7% from sales of 14,244 in fiscal year 2016. Of the 15,355 acre feet, or 5.0 billion gallons sold in fiscal year 2017, 70% was distributed for residential use, 11% for industrial and commercial use, 11% for landscape irrigation use, 6% for agricultural use and 2% for governmental use.

Until the Lake Henshaw area receives several years of average to above average rainfall, surface water run-off totals will not appreciably increase the lake level nor will a significant amount of groundwater recharge take place. As a result, the District will continue to need to purchase imported water to meet the balance of customer needs.

Bay-Delta Fix

The Bay-Delta, a 1,000 square mile network of islands and waterways at the confluence of the Sacramento and San Joaquin rivers east of San Francisco Bay, is a key water supply source for California, including the 3.1 million residents and business community in San Diego County.

Water supplies from the Bay-Delta come to San Diego County via the State Water Project. The Metropolitan Water District of Southern California (MWD) purchases the water from the state Department of Water Resources under a water supply contract. This

water has become increasingly unreliable in recent years as deteriorating ecological conditions have led to regulatory restrictions on pumping water supplies from the Bay-Delta. How much and when the District would begin paying for a Bay-Delta fix is undetermined at this time.

MWD Lawsuit

The SDCWA has filed lawsuits against MWD claiming that their rates violate cost-of-service requirements of California law. The central issue in the litigation related to MWD including in its transportation and wheeling rates the transportation costs it incurs to move SDCWA's Colorado River supplies. The Court of Appeal overturned a lower court's finding, upholding the rates as valid. SDCWA's appeal of the Court of Appeal's ruling was denied by the California Supreme Court in September 2017.

SDCWA won other claims against MWD including that MWD must pay SDCWA for Water Stewardship charges added to the transportation rates charged from 2011 to 2014. The final amount of damages will be determined by the trial court on remand. The court also determined that MWD did not properly calculate SDCWA's water right to MWD's water supply and indicated that a contract clause relating to receiving funding associated with local water supply projects in San Diego County must be removed.

SDCWA's Board of Directors has determined that any money returned to them will be refunded to its member agencies, including the District, in proportion to their payment of MWD's overcharges over the years in dispute, after deducting any litigation expenses that are not recovered. At this point, VID is unable to determine the amount, if any, that would be returned to the District.

SDCWA has two additional cases challenging MWD's rates from 2015 to 2018 that have been stayed in Superior Court while the appellate proceeding were ongoing and are now expected to move forward again.

Long-Term Financial Planning

New facilities and system improvements are funded by water rates. Water rates are increased over time based on the long range capital improvement plan. Replacement facilities are financed by depreciation and interest on accumulated depreciation. Expanded facilities are funded by developer fees and capacity charges.

Items in the long range capital improvement plan are determined not only by the depreciation schedule, but through a process which assesses a combination of factors including age, condition and the critical nature of the facility. The long range capital improvement plan spreads projects over several years to maintain a constant level of capital projects to maximize the efficiency of District resources. Funds collected or accumulated in years in which there are no new or expanded facilities are placed into the District's construction reserve account. Funds in the construction reserve account are

used to pay for construction projects in years that the costs of construction projects exceed the amount collected from water rates.

Major Initiatives

Mainline Replacement Program

In 1995 the Board of Directors initiated an on-going Main Replacement Program with the goal of replacing aging pipelines before they reach the end of their useful life and become a maintenance liability. Formalizing a Main Replacement Program has allowed pipe replacements to be prioritized based on the age of the line, leak history, and pipe material as well as factors related to site conditions. Another important factor is input from District crews, who evaluate the line's condition at the time repairs are being made.

Since its inception, the Board has allocated \$23.9 million to the program which has allowed the replacement of nearly 30.1 miles of older pipe ranging in size from 4 to 20 inches. The Board approved another \$4.5 million for this program as part of the capital improvement program for fiscal year 2018.

Accomplishments

Financial Statement Awards and Acknowledgements

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Vista Irrigation District for its CAFR for the fiscal year ended June 30, 2016. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgements

We would like to express our appreciation to the Finance Department staff and the independent accounting firm of White Nelson Diehl Evans LLP for the efforts made to prepare this report. We would also like to thank the members of the District's Board of Directors for their continued interest and support in all aspects of the District's financial management.

Respectfully submitted,



Eldon Boone
General Manager



Marlene Kelleher
Finance Manager



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Vista Irrigation District
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

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Financial Section

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Vista Irrigation District
Vista, California

We have audited the accompanying financial statements of Vista Irrigation District (the District) as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Vista Irrigation District as of June 30, 2017 and 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the California State Controller's Office and California regulations governing Special Districts.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the District's Proportionate Share of the Plan's Net Pension Liability and Related Ratios as of the Measurement Date, and the Schedule of Plan Contributions, as identified in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section and the statistical section as identified in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated December 12, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control over financial reporting and compliance.

White Nelson Dick Evans LLP

Carlsbad, California

December 12, 2017

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**VISTA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

Our discussion and analysis of the Vista Irrigation District's financial performance provides an overview of the District's financial activities for the year ended June 30, 2017. Please read it in conjunction with the District's financial statements which begin on page 10. This annual financial report consists of two parts -- Management's Discussion and Analysis (this section) and the Financial Statements.

Financial Statements

The District's financial statements include four components:

- Statements of Net Position
- Statements of Revenues, Expenses and Changes in Net Position
- Statements of Cash Flows
- Notes to Financial Statements

The statements of net position includes all of the District's assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. Net Position is displayed in two categories:

- Net investment in capital assets
- Unrestricted

The statements of net position provide the basis for evaluating the capital structure of the District and assessing its liquidity and financial flexibility.

The statements of revenues, expenses and changes in net position present information which shows how the District's net position changed during each year. All of the year's revenues and expenses are recorded when the underlying transaction occurs, regardless of the timing of the related cash flows. The statements of revenues, expenses and changes in net position measure the success of the District's operations during the year and determine whether the District has recovered its costs through user fees and other charges.

The statements of cash flows provide information regarding the District's cash receipts and cash disbursements during the year. These statements report cash activity in four categories:

- Operating
- Noncapital financing
- Capital and related financing
- Investing

These statements differ from the statements of revenues, expenses and changes in net position by only accounting for transactions that result in cash receipts or cash disbursements.

**VISTA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

The notes to the financial statements provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by accounting principles generally accepted in the United States of America that are not otherwise present in the financial statements.

Financial Highlights

- Overall, operating revenues increased 9.7%, while operating expenses increased 15.7%.
- The District realized a \$1.3 million operating gain during the current fiscal year primarily due to increased water sales and higher water rates. Costs of purchased water were higher in the current year, due to more imported water activity, as a result of decreased availability of local water.
- Contributed capital increased \$1.1 million due to the completion of five capital contribution jobs in the current year, as compared to three in the prior year.
- The District made a \$4.4 million payment of Claims Payable to the Indian Water Authority, in accordance with the Settlement Agreement which was finalized in May 2017. See Note 10 – Commitments and Contingencies for further information.

**VISTA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

Financial Analysis of the District

Net Position - The District's overall net position increased \$2.9 million between fiscal years 2016 and 2017, from \$106.2 to \$109.1 million. The District's overall net position increased \$3.9 million between fiscal years 2015 and 2016, from \$102.3 to \$106.2 million. During fiscal year 2016, cash and cash equivalents decreased \$8.3 million primarily due to a \$7.8 million prepayment of the PERS unfunded liability, and a \$1.4 million prepayment of the OPEB unfunded liability. The net investment in capital assets increased \$5.4 million in 2017 which reflects the excess of net capital additions over the current year depreciation and dispositions.

**Vista Irrigation District's Net Position
(In Millions of Dollars)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Current assets	\$ 33.8	\$ 37.5	45.4
Capital assets	89.9	84.6	82.5
Long-term prepaid expenses	<u>4.3</u>	<u>4.0</u>	<u>2.4</u>
Total Assets	<u>128.0</u>	<u>126.1</u>	<u>130.3</u>
 Deferred outflows of resources	 <u>5.2</u>	 <u>9.8</u>	 <u>1.5</u>
Current liabilities	8.9	6.3	6.8
Noncurrent liabilities	<u>13.9</u>	<u>21.0</u>	<u>17.8</u>
Total Liabilities	<u>22.8</u>	<u>27.3</u>	<u>24.6</u>
 Deferred inflows of resources	 <u>1.3</u>	 <u>2.4</u>	 <u>4.9</u>
 Net Position:			
Net investment in capital assets	89.9	84.6	82.6
Unrestricted	<u>19.2</u>	<u>21.6</u>	<u>19.7</u>
Total Net Position	<u>\$ 109.1</u>	<u>\$ 106.2</u>	<u>102.3</u>

**VISTA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

Change in Net Position – In fiscal year 2017, the District's operating revenues increased by 9.7% to \$47.4 million, and 94.8% of the District's operating revenues came from water sales. The increase in operating revenues resulted primarily due to increased water sales and higher water rates. In fiscal year 2016, the District's operating revenues decreased by 7.3% to \$43.2 million, and 95.4% of the District's operating revenues came from water sales. The decrease in operating revenues resulted primarily due to decreased water sales, as a result of water conservation efforts.

During fiscal year 2017, the District's operating expenses increased 15.7% to \$46.1 million primarily due to an increase in purchased water expenses, as a result of increased purchases and higher water rates. In addition, there was an increase in pension expense, as a result of GASB 68 valuations, and the annual payment of the PERS unfunded liability. During fiscal year 2016, the District's operating expenses decreased 3.6% to \$39.9 million primarily due to a decrease in purchased water, due to lesser demand as discussed above, as well as a decrease in depreciation expense, as a result of a change in useful lives implemented during that year, and a decrease in wages and benefits expenses.

The District's contributed capital increased from \$0.2 million to \$1.2 million in fiscal year 2017, due to more capital contribution jobs completed in the current year.

**Vista Irrigation District's Changes in Net Position
(In Millions of Dollars)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Operating Revenues			
Water sales, net	\$ 44.9	\$ 41.2	\$ 44.6
System fees	1.0	0.6	0.9
Property rentals	0.8	0.7	0.7
Other services	<u>0.7</u>	<u>0.7</u>	<u>0.4</u>
Total Operating Revenues	<u>47.4</u>	<u>43.2</u>	<u>46.6</u>
Operating Expenses	<u>46.1</u>	<u>39.9</u>	<u>41.4</u>
Operating Income	<u>1.3</u>	<u>3.3</u>	<u>5.2</u>
Nonoperating Revenues (Expenses)			
Property taxes	0.4	0.4	0.4
Investment income	0.2	0.1	0.1
Legal settlement	(0.1)	(0.1)	(0.1)
Loss on disposal of capital assets	<u>(0.1)</u>	<u>-</u>	<u>-</u>
Total Nonoperating Revenues	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>
Contributed Capital	<u>1.2</u>	<u>0.2</u>	<u>0.5</u>
Changes in Net Position	2.9	3.9	6.1
Total Net Position - beginning	<u>106.2</u>	<u>102.3</u>	<u>96.2</u>
Total Net Position - ending	<u>\$ 109.1</u>	<u>\$ 106.2</u>	<u>\$ 102.3</u>

**VISTA IRRIGATION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

Capital Assets

At June 30, 2017, the District had invested \$175.6 million in capital assets with \$85.7 million in accumulated depreciation. Net capital assets increased \$5.4 million as a result of capital acquisitions exceeding the annual depreciation and dispositions. During the year the District added \$8.3 million of capital assets. The largest capital additions were \$2.9 million in costs for several mainline replacement projects, \$2.0 million for flume relocation, \$2.0 million for reservoir rehabilitation, and \$0.6 million for water treatment plant construction costs. This year’s capital reductions included filtration plant assets, vehicles, replacement/disposals of pipelines, reservoir-related assets, SCADA and other equipment with a total historical cost of \$1.3 million. Depreciation for the year was \$2.7 million.

At June 30, 2016, the District had invested \$168.6 million in capital assets with \$84.0 million in accumulated depreciation. Net capital assets increased \$2.0 million as a result of capital acquisitions exceeding the annual depreciation and dispositions. During the year the District added \$4.6 million of capital assets. The largest capital additions were \$2.5 million in costs for several mainline replacement projects, \$1.3 million for water treatment plant construction costs, and \$0.2 million for SCADA upgrades and expansion. The capital reductions for that year included replacement/disposals of pipelines, reservoir-related assets, vehicles, SCADA and other equipment with a total historical cost of \$0.7 million. Depreciation for the year was \$2.6 million.

**Vista Irrigation District’s Capital Assets, Net
(In Millions of Dollars)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Land, franchises and water rights	\$ 6.0	\$ 6.0	\$ 6.0
Buildings, canals, pipelines, reservoirs and dams	76.1	73.9	73.6
Equipment	1.8	1.6	1.2
Henshaw pumping project	0.4	0.4	0.4
Construction in progress	<u>5.6</u>	<u>2.7</u>	<u>1.3</u>
Total Capital Assets, Net	<u>\$ 89.9</u>	<u>\$ 84.6</u>	<u>\$ 82.5</u>

For more detailed information on capital asset activity, please refer to “Note 4 – Capital Assets” in the notes to the financial statements.

Capital Debt

At June 30, 2017 and 2016, the District had no capital debt and has no immediate need to issue debt.

**VISTA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for and the stewardship of the financial resources and facilities it manages and maintains. If you have questions about this report or need additional financial information, contact the Vista Irrigation District's Finance Department at 1391 Engineer Street, Vista, California 92081.

**VISTA IRRIGATION DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2017 AND 2016**

	2017	2016
Assets		
Current Assets:		
Cash and cash equivalents (notes 1 and 2)	\$ 7,959,960	\$ 9,860,788
Investments (notes 1 and 2)	17,893,733	19,464,400
Accounts receivable, net (notes 1 and 3)	7,038,468	7,322,618
Taxes receivable	36,345	38,701
Accrued interest receivable	9,099	12,755
Inventories of materials and supplies	518,533	443,284
Prepaid expenses and other current assets	349,949	315,552
Total Current Assets	33,806,087	37,458,098
Noncurrent Assets:		
Capital assets: (notes 1 and 4)		
Depreciable assets, net of accumulated depreciation:		
Buildings, canals, pipelines, reservoirs and dams	76,094,593	73,835,413
Equipment	1,824,660	1,585,894
Henshaw pumping project	390,914	432,342
Nondepreciable assets:		
Land, franchises and water rights	6,001,127	6,001,127
Construction in progress	5,613,539	2,695,476
Total capital assets	89,924,833	84,550,252
Long-term prepaid expenses (note 9)	4,236,388	4,026,847
Total Noncurrent Assets	94,161,221	88,577,099
Total Assets	127,967,308	126,035,197
Deferred Outflows of Resources		
Pension related (notes 1 and 8)	5,196,486	9,778,045
Total Deferred Outflows of Resources	5,196,486	9,778,045

The accompanying notes are an integral part of the financial statements.

(Continued)

**VISTA IRRIGATION DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Liabilities		
Current Liabilities:		
Accounts payable (note 5)	\$ 7,141,890	\$ 4,746,416
Deposits	634,234	613,318
Compensated absences, current portion	403,445	382,428
Accrued expenses and other liabilities	<u>680,436</u>	<u>499,273</u>
Total Current Liabilities	<u>8,860,005</u>	<u>6,241,435</u>
Noncurrent Liabilities:		
Claims payable (note 6)	-	4,329,271
Compensated absences, long-term portion	1,029,729	962,240
Net pension liability (notes 1 and 8)	<u>12,926,266</u>	<u>15,723,785</u>
Total Noncurrent Liabilities	<u>13,955,995</u>	<u>21,015,296</u>
Total Liabilities	<u>22,816,000</u>	<u>27,256,731</u>
Deferred Inflows of Resources		
Pension related (notes 1 and 8)	<u>1,254,912</u>	<u>2,376,061</u>
Total Deferred Inflows of Resources	<u>1,254,912</u>	<u>2,376,061</u>
Net Position		
Investment in capital assets	89,924,833	84,550,252
Unrestricted (notes 7 and 11)	<u>19,168,049</u>	<u>21,630,198</u>
Total Net Position	<u>\$ 109,092,882</u>	<u>\$ 106,180,450</u>

The accompanying notes are an integral part of the financial statements.

VISTA IRRIGATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Operating Revenues		
Water sales, net (notes 1 and 3)	\$ 44,934,557	\$ 41,193,157
System fees	1,029,580	622,039
Property rentals	770,023	718,075
Other services	645,880	657,891
Total Operating Revenues	<u>47,380,040</u>	<u>43,191,162</u>
Operating Expenses		
Purchased water	23,826,729	18,721,053
Wages and benefits	13,492,353	11,870,598
Contractual services	3,495,060	4,125,191
Depreciation	2,719,379	2,581,311
Supplies	1,450,699	1,396,166
Professional fees	949,374	700,489
Insurance	535,788	531,811
Power	525,897	656,238
Office and general	481,697	489,547
Communications	56,779	49,845
Burden allocation	(1,422,130)	(1,255,779)
Total Operating Expenses	<u>46,111,625</u>	<u>39,866,470</u>
Operating Income	<u>1,268,415</u>	<u>3,324,692</u>
Nonoperating Revenues (Expenses)		
Property taxes	423,469	384,960
Investment income	168,777	129,591
Legal settlement	(66,961)	(83,905)
Loss on disposal of capital assets	(139,088)	(16,209)
Total Nonoperating Revenues	<u>386,197</u>	<u>414,437</u>
Income Before Contributed Capital	1,654,612	3,739,129
Contributed Capital	<u>1,257,820</u>	<u>165,021</u>
Changes in Net Position	2,912,432	3,904,150
Total Net Position - beginning	<u>106,180,450</u>	<u>102,276,300</u>
Total Net Position - ending	<u>\$ 109,092,882</u>	<u>\$ 106,180,450</u>

The accompanying notes are an integral part of the financial statements.

**VISTA IRRIGATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities		
Receipts from customers	\$ 47,664,190	\$ 42,826,571
Payments to suppliers	(32,676,969)	(39,320,532)
Payments to employees	(7,706,430)	(7,830,931)
Collection of deposits	1,961,571	877,561
Return of deposits	<u>(1,940,655)</u>	<u>(990,875)</u>
Net Cash Provided (Used) by Operating Activities	<u>7,301,707</u>	<u>(4,438,206)</u>
Cash Flows From Noncapital Financing Activities		
Receipts from property taxes	425,825	379,487
Legal settlement payment	<u>(4,396,232)</u>	<u>-</u>
Net Cash Provided (Used) by Noncapital Financing	<u>(3,970,407)</u>	<u>379,487</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds from disposal of capital assets	32,312	40,651
Capital contributions	917,224	-
Acquisition and construction of capital assets	<u>(7,924,764)</u>	<u>(4,471,550)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(6,975,228)</u>	<u>(4,430,899)</u>
Cash Flows From Investing Activities		
Proceeds from maturities of investments	19,500,000	19,500,000
Interest on cash and investments	87,642	39,740
Purchase of investments	<u>(17,844,542)</u>	<u>(19,393,909)</u>
Net Cash Provided by Investing Activities	<u>1,743,100</u>	<u>145,831</u>
Net Decrease in Cash and Cash Equivalents	(1,900,828)	(8,343,787)
Cash and Cash Equivalents - beginning	<u>9,860,788</u>	<u>18,204,575</u>
Cash and Cash Equivalents - ending	<u>\$ 7,959,960</u>	<u>\$ 9,860,788</u>

The accompanying notes are an integral part of the financial statements.

(Continued)

**VISTA IRRIGATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	2017	2016
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income	\$ 1,268,415	\$ 3,324,692
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,719,379	2,581,311
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:		
Accounts receivable, net	284,150	(364,591)
Inventories of materials and supplies	(75,249)	103,993
Prepaid expenses and other assets	(243,938)	(1,659,258)
Deferred outflows of resources	4,581,559	(8,289,079)
Accounts payable	2,395,474	230,610
Deposits	20,916	(113,314)
Accrued expenses and other liabilities	269,669	106,968
Net pension liability	(2,797,519)	2,197,032
Deferred inflows of resources	<u>(1,121,149)</u>	<u>(2,556,570)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 7,301,707</u>	<u>\$ (4,438,206)</u>
Noncash Investing, Capital and Financing Activities		
Contributed capital assets	\$ 340,596	\$ 165,021
Increase in fair value of investments	\$ 84,791	\$ 84,606

The accompanying notes are an integral part of the financial statements.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 1 - Reporting Entity and Summary of Significant Accounting Policies

Description of the Reporting Entity

Vista Irrigation District (District) is a public entity established in 1923, pursuant to the Irrigation District Act of the California Water Code, for the purpose of providing water services to the properties in the District. The District's service area lies within the northwestern quadrant of San Diego County, encompassing approximately 21,160 acres. Historically, the District has received 30% of its water supply from Lake Henshaw which, along with the surrounding 43,000 acre Warner Ranch, is owned and operated by the District. The remaining 70% of the District's supply comes from Northern California through the State Water Project and from the Colorado River. These sources are conveyed to the District via aqueducts owned and operated by water wholesalers, the Metropolitan Water District of Southern California and the San Diego County Water Authority. The District is governed by a Board of Directors consisting of five directors elected by geographical divisions, based on District population, for four-year alternating terms.

The criteria used in determining the scope of the reporting entity are based on the provisions of the Governmental Accounting Standards Board (GASB) Statement 14. The District is the primary government unit and currently has no component units. Component units are those entities which are financially accountable to the primary government, either because the District appoints a voting majority of the component unit's board, or because the component unit will provide a financial benefit or impose a financial burden on the District.

Basic Financial Statements

The basic financial statements are comprised of the Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position, the Statements of Cash Flows and the notes to the basic financial statements.

Basis of Presentation

The accounts of the District are reported as an enterprise fund. An enterprise fund is a Proprietary type fund used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the economic resources measurement focus, and the accrual basis of accounting. Under the economic measurement focus all assets, deferred outflows of resources, liabilities and deferred inflows of resources (whether current or noncurrent) associated with these activities are included on the Statements of Net Position. The Statements of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates and assumptions affect: the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, all investment instruments are considered to be cash equivalents if purchased with a maturity of three months or less and are readily convertible to known cash amounts.

Investments

Investments are reported at fair value in the statement of net position. All investment income, including changes in the fair value of investments, is recognized as revenues in the statement of revenues, expenses, and changes in net position. Investments that are not traded on a market, such as investments in external pools, are valued based on the stated fair value as represented by the external pool.

Accounts Receivable

Accounts receivable includes both billed and unbilled water sales provided to District customers. An allowance for doubtful accounts is provided for uncollectible accounts based on the District’s bad debt experience and on management’s estimate.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)

Inventories of Materials and Supplies

Inventories of materials and supplies consist primarily of materials used in the construction and maintenance of the water system and are valued at average cost.

Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

Capital Assets and Depreciation

The District records at cost the acquisition of capital assets greater than \$5,000 and with a useful life of 3 or more years. Contributed assets are recorded at their acquisition value at the date of acceptance by the District. Self-constructed assets are recorded in the amount of labor, material, and overhead incurred. Depreciation is charged to expense and is computed using the straight-line method over the estimated useful lives of the respective assets as follows:

	<u>Useful Life</u>
Buildings, canals, pipelines, reservoirs and dams	15 - 80 years
Equipment	3 - 25 years
Henshaw pumping project	10 - 20 years

Burden Allocation

The District allocates overhead burden costs to pipeline installation jobs, inspection work, fixed fee jobs, damage claims, and other small jobs. The overhead burden costs include management salaries, benefits, use of equipment, warehousing, and handling.

Vacation, Sick Leave, and Compensatory Time Off

The District records a liability equal to 100% of vacation earned and compensatory time off, and an applicable percentage of sick leave available to employees at year end (25%-100%), which is included in compensated absences, current and long-term portions. At June 30, 2017 and 2016, total compensated absences were \$1,433,174 and \$1,344,668, respectively.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)

Pension Plans

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the California Public Employees Retirement System (CalPERS) Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" (GASB 68), requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2015
Measurement Date (MD)	June 30, 2016
Measurement Period (MP)	July 1, 2015 to June 30, 2016

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The District has the following items that qualify for reporting in this category:

- Deferred outflows related to pensions. This amount is equal to employer contributions made after the measurement date of the net pension liability.
- Deferred outflows related to pensions for differences between expected and actual experiences. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the plans.
- Deferred outflows related to pensions resulting from the difference in projected and actual earnings on investments of the pension plans fiduciary net position. This amount is amortized over five years.
- Deferred outflows related to pensions for the changes in proportion and differences between employer contributions and the proportionate share of contributions. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District has the following items that qualify for reporting in this category:

- Deferred inflows related to pensions for differences between expected and actual experiences. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the plans.
- Deferred inflows from pensions resulting from changes in assumptions. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources (Continued)

- Deferred inflows related to pensions for the changes in proportion and differences between employer contributions and the proportionate share of contributions. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

Operating Revenues and Expenses

Operating activities generally result from providing services and producing and delivering goods. As such, the District considers fees received from water sales, capacity fees, connection and installation fees and property rentals to be operating revenues. The collection of deposits and return of deposits related to operating activities are reported in the District's cash flows from operating activities. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The collection of deposits and return of deposits related to the specific purpose of deferring the cost of acquiring, constructing or improving assets are reported in the District's cash flows from capital and related financing activities.

Net Position

In the Statements of Net Position, net position is classified in the following categories:

- Investment in capital assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.
- Restricted net position - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.
- Unrestricted net position - This amount is all net position that does not meet the definition of "investment in capital assets" or "restricted net position".

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the Statements of Net Position, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the District's practice to consider restricted - net position to have been depleted before unrestricted - net position is applied.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)

Property Taxes

Property taxes are attached as an enforceable lien on property as of March 1. Taxes are levied on July 1 and are due in two installments. The first installment is due on November 1, and is payable through December 10 without penalty. The second installment is due February 1, and becomes delinquent on April 10. Property taxes are remitted to the District from the County of San Diego at various times throughout the year.

Risk Management

The District is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; and natural disasters. To help mitigate this risk, the District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (Authority). The Authority is a risk-pooling self-insurance authority, created under provisions of California Government Code Sections 6500 et. seq. The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

The District participates in the following self-insurance programs of the Authority:

Property Loss - Insured up to \$150,000,000 per occurrence (total insurable value \$30,283,901) with \$5,000 deductible for buildings, personal property, fixed equipment, mobile equipment, and licensed vehicles; the Authority is self-insured up to \$100,000 per occurrence and excess insurance coverage has been purchased.

General Liability - Insured up to \$60,000,000 per occurrence with no deductible; the Authority is self-insured up to \$5,000,000 and excess insurance coverage has been purchased.

Auto Liability - Insured up to \$60,000,000 per occurrence with no deductible for property damage; the Authority is self-insured up to \$5,000,000 and excess insurance coverage has been purchased.

Public Officials' Liability - Insured up to \$60,000,000 per occurrence; the Authority is self-insured up to \$5,000,000 and excess insurance coverage has been purchased.

Crime - Insured up to \$100,000 per occurrence with \$1,000 deductible.

Dam Failure Liability - Insured up to \$5,000,000 per occurrence with \$50,000 deductible; the Authority is self-insured up to \$50,000 and excess insurance coverage has been purchased.

The District pays annual premiums for these coverages. They are subject to retrospective adjustments based on claims experience. The nature and amounts of these adjustments cannot be estimated and are charged to expense as invoiced. There were no instances in the past three years where a settlement exceeded the District's coverage.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements

GASB Current Year Standards

GASB 74 - “Financial Reporting for Postemployment Benefit Plans Other than Pension Plans”, effective for periods beginning after June 15, 2016 and did not impact the District.

GASB 77 - “Tax Abatement Disclosure”, effective for periods beginning after December 15, 2015 and did not impact the District.

GASB 78 - “Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans”, effective for periods beginning after December 15, 2015, and did not impact the District.

GASB 79 - “Certain External Investment Pools and Pool Participants”, contains certain provisions on portfolio quality, custodial credit risk, and shadow pricing, effective for periods beginning after December 15, 2015 and did not impact the District.

GASB 80 - “Blending Requirements for Certain Component Units”, effective for periods beginning after June 15, 2016 and did not impact the District.

GASB Pending Accounting Standards

GASB has issued the following statements, which may impact the District’s financial reporting requirements in the future:

- GASB 75 - “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”, effective for periods beginning after June 15, 2017.
- GASB 81 - “Irrevocable Split-Interest Agreements”, effective for periods beginning after December 15, 2016.
- GASB 82 - “Pension Issues”, effective for periods beginning after June 15, 2016, except for certain provisions on selection of assumptions, which are effective in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.
- GASB 84 - “Fiduciary Activities”, effective for periods beginning after December 15, 2018.
- GASB 85 - “Omnibus 2017”, effective for periods beginning after June 15, 2017.
- GASB 86 - “Certain Debt Extinguishment Issues”, effective for periods beginning after June 15, 2017.
- GASB 87 - “Leases”, effective for periods beginning after December 15, 2019.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 2 - Cash and Investments

The following is a detail of cash and cash equivalents as of June 30, 2017 and 2016:

	2017	2016
Cash on hand	\$ 6,882	\$ 7,439
Deposits	627,204	515,117
State Treasurer's investment pool	1,730,232	9,077,818
California Asset Management Program	5,595,642	260,414
Total cash and cash equivalents	\$ 7,959,960	\$ 9,860,788

As of June 30, 2017 and 2016, the District had the following investments:

Investment	Maturity	2017 Fair Value	2016 Fair Value
State Treasurer's investment pool	1 day	\$ 1,730,232	\$ 9,077,818
California Asset Management Program	1 day	5,595,642	260,414
Total cash equivalents		\$ 7,325,874	\$ 9,338,232
U.S. Treasury bills	7 months weighted	\$ 17,893,733	\$ 19,464,400
Total Investments		\$ 17,893,733	\$ 19,464,400

Authorized deposits and investments of the District are governed by the California Government Code as well as policies set forth by the District's Board of Directors. Within the contents of these limitations, permissible instruments include FDIC-insured institutions' certificates of deposit and savings accounts, corporate medium-term notes, U.S. government agency/instrumentalities, money market instruments, money market mutual funds, mortgage backed securities, U.S. government bills, notes and bonds, and asset backed securities. Funds may also be invested in the local government investment pools.

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 2 - Cash and Investments (Continued)

The District is a voluntary participant in the California Asset Management Program (CAMP), an investment pool managed by Public Financial Management, Inc. CAMP was established under provisions of the California Joint Exercise of Powers Act. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by CAMP for the entire CAMP portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by CAMP, which are recorded on an amortized cost basis.

Interest Rate Risk. In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting investment maturities to five years. Express authority is granted to invest in investments with term to maturity of greater than five years with a maximum term of ten years, provided the investments are in accordance with stated policy and total investments shall not exceed the amount of long term liabilities outstanding. Investments exceeding five years will be matched with a corresponding liability.

Credit Risk. State law and District policy limits investments in money market funds to the top ratings issued by nationally recognized statistical rating organizations. The District's investment in the California Asset Management Program was rated AAAM by Standard & Poor's Corporation. The District's investment in the California State Treasurer's investment pool was unrated. U.S. Treasury bills are exempt from rating disclosures.

Concentration of Credit Risk. The District manages the concentration of credit risk by limiting local government investment pools and money market funds to a maximum of 40% and 20%, respectively, of the District's total available investment capital as outlined in the District investment policy. Furthermore, no more than 10% of the District's available investment capital can be invested in a single money market fund.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. All deposits are entirely insured or collateralized. State law requires banks to secure the District's deposits by pledging government securities valued at 110% of the amount of the deposit as collateral. The District may waive the collateral requirement for deposits that are fully insured by the Federal Deposit Insurance Corporation (FDIC). Beginning on January 1, 2013, combined deposits are insured by the FDIC up to \$250,000. As of June 30, 2017, the District's bank balances were \$572,988, of which \$250,000 were insured and the remaining \$322,988 were collateralized with securities held by the pledging institution's trust department. As of June 30, 2016, the District's bank balances were \$638,466, of which \$250,000 were insured and the remaining \$388,466 were collateralized.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 2 - Cash and Investments (Continued)

Fair Value Measurements

The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2017:

	<u>Quoted Prices Level 1</u>	<u>Observable Inputs Level 2</u>	<u>Unobservable Inputs Level 3</u>	<u>Total</u>
Fixed Income Securities:				
Treasury Bills	\$ -	\$ 17,893,733	\$ -	\$ 17,893,733
Total Leveled Investments	<u>\$ -</u>	<u>\$ 17,893,733</u>	<u>\$ -</u>	<u>17,893,733</u>
Money Market and LAIF*				1,730,232
California Asset Management Program*				<u>5,595,642</u>
Total Investment Portfolio				<u>\$ 25,219,607</u>

*Not subject to fair value measurement.

The District had the following recurring fair value measurements as of June 30, 2016:

	<u>Quoted Prices Level 1</u>	<u>Observable Inputs Level 2</u>	<u>Unobservable Inputs Level 3</u>	<u>Total</u>
Fixed Income Securities:				
Treasury Bills	\$ -	\$ 19,464,400	\$ -	\$ 19,464,400
Total Leveled Investments	<u>\$ -</u>	<u>\$ 19,464,400</u>	<u>\$ -</u>	<u>19,464,400</u>
Money Market and LAIF*				9,077,818
California Asset Management Program*				<u>260,414</u>
Total Investment Portfolio				<u>\$ 28,802,632</u>

*Not subject to fair value measurement.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 3 - Accounts Receivable, Net

As of June 30, 2017 and 2016, the net balances were comprised of accounts receivable balances of \$7,175,102 and \$7,842,310, respectively, less the allowances for doubtful accounts of \$136,634 and \$519,692, respectively.

On the Statements of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2017 and 2016, the balances of water sales, net of uncollectible accounts expense, were comprised of water sales revenues of \$44,937,219 and \$41,239,946, respectively, less uncollectible amounts of \$2,662 and \$46,789, respectively.

Note 4 - Capital Assets

Capital assets consist of the following at June 30, 2017:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land, franchises, and water rights	\$ 6,001,127	\$ -	\$ -	\$ 6,001,127
Construction in progress	<u>2,695,476</u>	<u>7,525,945</u>	<u>(4,607,882)</u>	<u>5,613,539</u>
Total capital assets not being depreciated	<u>8,696,603</u>	<u>7,525,945</u>	<u>(4,607,882)</u>	<u>11,614,666</u>
Capital assets being depreciated:				
Buildings, canals, pipelines, reservoirs and dams	151,156,873	4,885,415	(1,095,852)	154,946,436
Equipment	5,627,859	461,881	(156,612)	5,933,128
Henshaw pumping project	<u>3,089,530</u>	<u>-</u>	<u>(2,500)</u>	<u>3,087,030</u>
Total capital assets being depreciated	<u>159,874,262</u>	<u>5,347,296</u>	<u>(1,254,964)</u>	<u>163,966,594</u>
Less accumulated depreciation for:				
Buildings, canals, pipelines, reservoirs and dams	(77,321,460)	(2,457,911)	927,528	(78,851,843)
Equipment	(4,041,965)	(220,038)	153,535	(4,108,468)
Henshaw pumping project	<u>(2,657,188)</u>	<u>(41,428)</u>	<u>2,500</u>	<u>(2,696,116)</u>
Total accumulated depreciation	<u>(84,020,613)</u>	<u>(2,719,377)</u>	<u>1,083,563</u>	<u>(85,656,427)</u>
Total capital assets being depreciated, net	<u>75,853,649</u>	<u>2,627,919</u>	<u>(171,401)</u>	<u>78,310,167</u>
Total capital assets, net	<u>\$ 84,550,252</u>	<u>\$ 10,153,864</u>	<u>\$ (4,779,283)</u>	<u>\$ 89,924,833</u>

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 4 - Capital Assets (Continued)

Capital assets consisted of the following at June 30, 2016:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land, franchises, and water rights	\$ 6,001,127	\$ -	\$ -	\$ 6,001,127
Construction in progress	<u>1,354,968</u>	<u>4,201,134</u>	<u>(2,860,626)</u>	<u>2,695,476</u>
Total capital assets not being depreciated	<u>7,356,095</u>	<u>4,201,134</u>	<u>(2,860,626)</u>	<u>8,696,603</u>
Capital assets being depreciated:				
Buildings, canals, pipelines, reservoirs and dams	149,035,819	2,615,860	(494,806)	151,156,873
Equipment	5,278,941	594,468	(245,550)	5,627,859
Henshaw pumping project	<u>3,003,795</u>	<u>85,735</u>	<u>-</u>	<u>3,089,530</u>
Total capital assets being depreciated	<u>157,318,555</u>	<u>3,296,063</u>	<u>(740,356)</u>	<u>159,874,262</u>
Less accumulated depreciation for:				
Buildings, canals, pipelines, reservoirs and dams	(75,385,495)	(2,386,368)	450,403	(77,321,460)
Equipment	(4,113,223)	(161,835)	233,093	(4,041,965)
Henshaw pumping project	<u>(2,624,080)</u>	<u>(33,108)</u>	<u>-</u>	<u>(2,657,188)</u>
Total accumulated depreciation	<u>(82,122,798)</u>	<u>(2,581,311)</u>	<u>683,496</u>	<u>(84,020,613)</u>
Total capital assets being depreciated, net	<u>75,195,757</u>	<u>714,752</u>	<u>(56,860)</u>	<u>75,853,649</u>
Total capital assets, net	<u>\$ 82,551,852</u>	<u>\$ 4,915,886</u>	<u>\$ (2,917,486)</u>	<u>\$ 84,550,252</u>

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 5 - Accounts Payable

At June 30, 2017, the accounts payable of \$7,141,890 included \$4,985,650 for water purchases from the San Diego County Water Authority and \$2,156,240 for obligations to other vendors. The accounts payable of \$4,746,416 at June 30, 2016 included \$3,524,222 for water purchases from the San Diego County Water Authority and \$1,222,194 for obligations to other vendors.

Note 6 - Noncurrent Liabilities

See Note 10 – Commitments and Contingencies, for information regarding the establishment of the original \$3.85 million in claims payable that was payable to the Indian Water Authority.

Changes in the claims payable amounts in fiscal years ended June 30, 2017 and 2016 were as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Consumer Price Adjustment</u>	<u>Payments</u>	<u>Ending Balance</u>
2016	\$ 4,245,365	\$ 83,906	\$ -	\$ 4,329,271
2017	\$ 4,329,271	\$ 66,961	\$ (4,396,232)	\$ -

Increases to the claims payable amount were based on the increase in the Consumer Price Index, All Urban Consumers, San Diego, published by the United States Department of Labor, Bureau of Labor Statistics, per the proposed changes to the Settlement Agreement terms discussed in Note 10.

The Settlement Agreement was finalized on May 17, 2017, and the balance has been paid.

Note 7 - Unrestricted Net Position

Unrestricted net position has been reserved by the Board of Directors for the following purposes:

	<u>2017</u>	<u>2016</u>
Emergency and contingency	\$ 9,000,000	\$ 8,000,000
Working capital	9,000,000	8,000,000
Future construction	1,020,168	5,521,079
Ranch improvements	147,881	109,119
Total unrestricted net position	<u>\$ 19,168,049</u>	<u>\$ 21,630,198</u>

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 8 - Defined Benefit Pension Plan

A. General Information about the Pension Plan

Plan Description

The Plan is a cost-sharing, multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not account purposes), and membership information is listed in the June 30, 2016 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. The actuarial valuation report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications, at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 8 - Defined Benefit Pension Plan (Continued)

A. General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

The Plan's provisions and benefits in effect at June 30, 2017 are summarized as follows:

	Miscellaneous Plan		
	Tier 1	Tier 2	PEPRA
Hire date	prior to 1/1/2012	from 1/1/12 to 12/31/12	on or after 1/1/13
Benefit formula	3% @ 60	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 60	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	1.092% - 2.418%	1.0% to 2.5%
Required employee contribution rates	4.5%	7.0%	6.25%
Required employer contribution rates			
Normal cost rate	16.264%	6.709%	6.24%
Payment of unfunded liability	\$635,547	\$0.00	\$16.00

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by Miscellaneous risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement periods ended June 30, 2016 and 2015 (the measurement dates), the average active employee contribution rates for the respective miscellaneous Tier 1, Tier 2, and PEPRA plans were 4.5%, 7.0%, and 6.25% of annual pay. The employer's contribution rates were 16.264%, 6.709%, and 6.237% of annual payroll for the measurement period ended June 30, 2016, and 21.322%, 8.005% and 6.25% for the measurement period ended June 30, 2015. Employer contribution rates may change if plan contracts are amended. Employer Contributions for the measurement period ended June 30, 2016 and 2015 for the combined miscellaneous Tier 1, Tier 2, and PEPRA plans were \$1,924,128 and 1,488,966, respectively.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 8 - Defined Benefit Pension Plan (Continued)

B. Net Pension Liability

The District's net pension liabilities were measured as of June 30, 2016 and 2015, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016, and June 30, 2014 rolled forward to June 30, 2015 using standard update procedures.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement periods ended June 30, 2016 and June 30, 2015 (the measurement dates), the total pension liabilities were determined by rolling forward the June 30, 2015 and 2014 total pension liability. The June 30, 2015 and June 30, 2016 total pension liabilities for the Plan were based on the following actuarial methods and assumptions:

Valuation Dates	June 30, 2015 and 2014
Measurement Dates	June 30, 2016 and 2015
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases (1)	3.3% - 14.2%
Investment Rate of Return (2)	7.50%
Mortality Rate Table (3)	Derived using CALPERS' membership data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

(1) Annual increases vary by category, entry age, and duration of service.

(2) Net of pension plan investment and administrative expenses; includes inflation.

(3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2015 and 2014 valuations were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 8 - Defined Benefit Pension Plan (Continued)

B. Net Pension Liability

Change of Assumptions

There were no changes of assumptions during the measurement period of June 30, 2016. GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 8 - Defined Benefit Pension Plan (Continued)

B. Net Pension Liability (Continued)

Discount Rate (Continued)

The following table reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ²
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	20.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	1.0%	(0.55%)	(1.05%)
Total	<u>100%</u>		

¹ An expected inflation of 2.5% used for this period

² An expected inflation of 3.0% used for this period

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 8 - Defined Benefit Pension Plan (Continued)

C. Proportionate Share of Net Pension Liability

The following table shows the Plan's proportionate share of the net pension liability over the measurement period.

Miscellaneous Plan:

	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2015 (VD)	\$ 81,295,803	\$ 65,572,018	\$ 15,723,785
Balance at: 6/30/2016 (MD)	\$ 84,850,803	\$ 71,924,537	\$ 12,926,266
Net Changes during 2015-16	\$ 3,555,000	\$ 6,352,519	\$ (2,797,519)

Valuation Date (VD), Measurement Date (MD).

The District's proportionate share of the net pension liabilities were based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The changes in the District's proportionate share of the collective net pension liabilities were as follows:

Proportionate Share - June 30, 2015	<u>0.57314%</u>
Proportionate Share - June 30, 2016	<u>0.37210%</u>
Change - Increase (Decrease)	<u><u>(0.20104%)</u></u>

Proportionate Share - June 30, 2014	<u>0.54731%</u>
Proportionate Share - June 30, 2015	<u>0.57314%</u>
Change - Increase (Decrease)	<u><u>0.02583%</u></u>

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 8 - Defined Benefit Pension Plan (Continued)

C. Proportionate Share of Net Pension Liability (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.65 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

	Discount Rate - 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate + 1% (8.65%)
Miscellaneous Plan's Net Pension Liability - 2017	\$ 24,349,827	\$ 12,926,266	\$ 3,485,260

	Discount Rate - 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate + 1% (8.65%)
Miscellaneous Plan's Net Pension Liability - 2016	\$ 26,795,190	\$ 15,723,785	\$ 6,583,054

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 8 - Defined Benefit Pension Plan (Continued)

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the measurement periods ending June 30, 2016 and June 30, 2015 (the measurement dates), the District incurred a pension expense of \$2,479,626 and \$978,564, respectively for the Plan.

As of June 30, 2016, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,816,735	\$ -
Differences between expected and actual experience	66,774	(15,300)
Changes in assumptions	-	(631,746)
Net difference between projected and actual earnings on pension plan investments	3,288,030	-
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	24,947	(607,866)
Total	\$ 5,196,486	\$ (1,254,912)

These amounts above are net of outflows and inflows recognized in the 2015-16 measurement period expense. \$1,816,735 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. At June 30, 2017 amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Year Ended June 30:	Deferred Outflows/(Inflows) of Resources, Net
2018	\$ (219,631)
2019	8,971
2020	1,483,859
2021	851,640
2022	-
Thereafter	-
	\$ 2,124,839

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 8 - Defined Benefit Pension Plan (Continued)

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)

As of June 30, 2015, the District had deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 9,682,740	\$ -
Differences between expected and actual experience	95,305	-
Changes in assumptions	-	(901,680)
Net difference between projected and actual earnings on pension plan investments	-	(452,024)
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	(1,022,357)
Total	\$ 9,778,045	\$ (2,376,061)

These amounts above were net of outflows and inflows recognized in the 2014-15 measurement period expense. \$9,682,740 reported as deferred outflows of resources related to contributions subsequent to the measurement date were recognized as a reduction of the net pension liability in the year ended June 30, 2017. Amounts reported as deferred outflows and deferred inflows of resources related to pensions were recognized in future pension expense as follows:

Year Ended June 30:	Deferred Outflows/(Inflows) of Resources, Net
2017	\$ (1,045,754)
2018	(1,018,111)
2019	(794,679)
2020	577,788
2021	-
Thereafter	-
	\$ (2,280,756)

E. Payable to the Pension Plan

At June 30, 2017 and 2016, the District had no outstanding amount of contributions to the pension plan required for the years ended June 30, 2017 and 2016.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 9 - Other Postemployment Benefits

Plan Description

In accordance with the terms and conditions of the employment agreements for employees hired before January 1, 2012, the District offers postemployment healthcare benefits to eligible employees who retire on or after January 1, 2006 under CalPERS, who have reached the minimum age of 50, and have completed fifteen years of service with the District (ten years for management employees). The plan is a single-employer benefit plan. Coverage will not extend beyond a combined fifteen years for the retiree and their eligible spouse (twenty years for management employees). The years of coverage may be split between the retiree and spouse; however, the maximum coverage for a retiree may not exceed ten years, and the number of years of coverage for the spouse may not exceed the number of years of coverage for the retiree. A specific health plan provides this direct insurance coverage to retiring employees that reside in the California service area as defined by the plan. If the retiree lives outside the California service area, the District reimburses the retiree quarterly for health insurance premiums not to exceed the current premiums paid to the specific health plan.

For employees who retired on or after January 1, 1990 and prior to January 1, 2006, the District offers postemployment healthcare benefits to eligible employees for a coverage period not extending beyond 10 years and does not cover dependents.

The District pre-funds its other postemployment benefits (OPEB) with CalPERS through the California Employers' Retiree Benefits Trust (CERBT) Fund. The CERBT is a trust fund that allows public employers to pre-fund the future cost of their retiree health insurance benefits and OPEB obligations for their covered employees or retirees. Employers that elect to participate in the CERBT make contributions into the trust fund. Participating employers use investment earnings to pay for retiree health benefits, similar to the CalPERS pension trust.

The District fully funds its OPEB liability through the CERBT. For the years ended June 30, 2017 and 2016, the District was fully funded in a prepaid status (in relation to the Annual Required Contribution), and was not required to make any contributions to the CERBT.

CERBT publishes separate financial statements that conform to GASB Statement No. 43 in separately issued financial statements for the CalPERS Trust. Copies of the CalPERS' annual financial report for its OPEB Trust may be obtained from its executive office at 400 P Street, Sacramento, California 95811.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 9 - Other Postemployment Benefits (Continued)

Funding Policy and Annual OPEB Cost

The District's annual other postemployment benefit (OPEB) cost (expense) for the plan is calculated based on the "annual required contribution of the employer" (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the value of employer promised benefits expected to be earned or allocated for each fiscal year and to amortize any unfunded actuarial liabilities (or funding expense) over a period not to exceed thirty years. The District's annual OPEB cost for the current year and the related information for the plan are as follows:

	Retiree Healthcare Plan 2017	Retiree Healthcare Plan 2016
Annual required contribution	\$ 317,673	\$ 300,155
Interest on net OPEB asset	(293,154)	(173,526)
Adjustment to annual required contribution	<u>291,289</u>	<u>172,422</u>
Annual OPEB cost (expense)	315,808	299,051
Contributions made	<u>(525,349)</u>	<u>(1,951,272)</u>
Increase (decrease) in net OPEB obligation/(asset)	(209,541)	(1,652,221)
Net OPEB obligation (asset) - beginning of year	<u>(4,026,847)</u>	<u>(2,374,626)</u>
Net OPEB obligation (asset) - end of year	<u>\$ (4,236,388)</u>	<u>\$ (4,026,847)</u>

In June 2016, the District opted to make a lump sum payment of \$1,399,898 in order to pay off the unfunded portion of the District's OPEB liability.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 9 - Other Postemployment Benefits (Continued)

Funding Policy and Annual OPEB Cost (Continued)

Annual OPEB Cost includes interest and the ARC adjustment, in addition to the ARC.

In accordance with the provisions of GASB Statement No. 45, the District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

	Year End	Annual OPEB Cost	Actual Contribution	Percent of OPEB Cost Contributed	Net OPEB Obligation (Asset)
Retiree Healthcare Plan	June 30, 2015	\$282,630	\$391,306	138.5%	(\$2,374,626)
Retiree Healthcare Plan	June 30, 2016	\$299,051	\$1,951,272	652.5%	(\$4,026,847)
Retiree Healthcare Plan	June 30, 2017	\$315,808	\$525,349	166.4%	(\$4,236,388)

Funded Status and Funding Progress

The funded status of the plan was as follows:

Actuarial Valuation Date	Actuarial Value of Plan Assets (A)	Actuarial Accrued Liability (B)	Unfunded Liability (A-B)	Funded Ratio (A/B)	Annual Covered Payroll (C)	Unfunded Liability as a % of Annual Covered Payroll [(A-B)/C]
July 1, 2011	\$1,109,493	\$3,779,819	(\$2,670,326)	29.4%	\$7,523,865	(35.5%)
July 1, 2013	\$1,238,734	\$3,574,767	(\$2,336,033)	34.7%	\$7,494,718	(31.2%)
July 1, 2015	\$3,599,740	\$4,999,638	(\$1,399,898) *	72.0%	\$7,601,853	(18.4%)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

*A \$1,399,898 prepayment was made in June 2016, subsequent to the July 1, 2015 actuarial valuation date, in order to pay off the unfunded portion of the District's actuarial accrued liability.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 9 - Other Postemployment Benefits (Continued)

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and the plan members) and includes the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the District and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial valuation date	June 30, 2015
Actuarial cost method	Projected Unit Credit
Amortization method	Level percentage of pay
Remaining amortization period	22 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	7.28%
Projected salary increases	3.00%

The actuarial cost method used for determining the benefit obligations is the Projected Unit Credit with service prorated. The actuarial assumptions included a 7.28% investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 6.5% HMO and 7.0% PPO for 2017, each declining by 0.5% per year through 2020, and a trend rate of 5.0% per year for both HMO and PPO for all years after 2020. Both rates included a 2.8% inflation assumption. The UAAL is being amortized over an initial 30 years using the level-percentage of pay method on a closed-basis. The remaining amortization period at June 30, 2015 is assumed to be 22 years. It is assumed the District's payroll will increase 3.00% per year.

Note 10 - Commitments and Contingencies

Commitments

On May 17, 2017 the District settled its long-standing water rights lawsuit with various Indian bands. The settlement resulted in the District paying its \$4.4 million obligation in accordance with the Settlement Agreement.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

Note 10 - Commitments and Contingencies (Continued)

Commitments (Continued)

Per the terms of the Settlement Agreement, the District and the City of Escondido are responsible for all costs associated with maintaining and operating the local water system, including the cost of undergrounding of a canal on the San Pasqual Indian Reservation (currently estimated to cost \$30 million). The cost of the undergrounding project (Project) will be divided evenly between the District and the City of Escondido. Per the terms of the Settlement Agreement, the Project must be completed no later than May 17, 2023.

The District has been named as defendant in various other legal actions. In the opinion of management and legal counsel, it is too early to determine the outcome and effect on the District's financial position.

Note 11 – Subsequent Events

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through December 12, 2017, the date the financial statements were available to be issued.

**VISTA IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017**

**Schedule of the District's Proportionate Share of the Plan's Net Pension Liability and
Related Ratios as of the Measurement Date
Last 10 Years***

	Measurement Date <u>6/30/2016</u>	Measurement Date <u>6/30/2015</u>	Measurement Date <u>6/30/2014</u>
Plan's Proportion of the Net Pension Liability ¹	0.14938%	0.22908%	0.21738%
Plan's Proportionate Share of the Net Pension Liability	\$ 12,926,266	\$ 15,723,785	\$ 13,526,753
Plan's Covered-Employee Payroll ²	\$ 7,601,853	\$ 7,473,687	\$ 7,494,718
Plan's Proportionate Share of the Net Pension Liability as a % of its Covered-Employee Payroll	170.04%	210.39%	180.48%
Plan's Proportionate Share of the Fiduciary Net Position as a % of the Plan's Total Pension Liability	74.06%	80.66%	83.03%
Plan's Proportionate Share of Aggregate Employer Contributions ³	\$ 2,678,414	\$ 2,268,191	\$ 1,789,539

¹ Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

² Covered-Employee Payroll represented above is based on the total payroll of employees that are provided pensions through the pension plan in accordance with GASB 68.

³ The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the Measurement Period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of fiduciary net positions, as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

* Measurement period 2013-14 (fiscal year 2015) was the first year of implementation.

**VISTA IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017**

Schedule of Plan Contributions
Last 10 Years*

	<u>Fiscal Year</u> <u>End 2017</u>	<u>Fiscal Year</u> <u>End 2016</u>	<u>Fiscal Year</u> <u>End 2015</u>
Actuarially Determined Contribution	\$ 1,816,735	\$ 1,924,128	\$ 1,488,966
Contributions in Relation to the			
Actuarially Determined Contribution	<u>(1,816,735)</u>	<u>(9,682,740)</u>	<u>(1,488,966)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (7,758,612)</u>	<u>\$ -</u>
Covered-Employee Payroll ¹	\$ 7,576,845	\$ 7,601,853	\$ 7,473,687
Contributions as a % of Covered-			
Employee Payroll	23.98%	127.37%	19.92%

¹ Covered-Employee Payroll represented above is based on the total payroll of employees that are provided pensions through the pension plan in accordance with GASB 68.

* Measurement period 2013-14 (fiscal year 2015) was the first year of implementation.

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Statistical Section

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STATISTICAL SECTION

This part of the Vista Irrigation District’s (the “District”) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s overall financial health.

CONTENTS	PAGE
Financial Trends	46
<i>These schedules contain trend information to help the reader understand how the District’s financial performance and well-being have changed over time.</i>	
Revenue Capacity	48
<i>These schedules contain information to help the reader access the District’s most significant local revenue source.</i>	
Demographic and Economic Information	52
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District’s financial activities take place.</i>	
Operating Information	54
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the District’s financial report relates to the services the District provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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Table I
NET POSITION BY COMPONENT
Last Ten Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net Position					
Net investment in capital assets	\$ 89,924,833	\$ 84,550,252	\$ 82,551,852	\$ 81,758,263	\$ 83,082,019
Unrestricted	19,168,049	21,630,198	19,724,448	31,251,239	24,015,914
Total Net Position	<u>\$ 109,092,882</u>	<u>\$ 106,180,450</u>	<u>\$ 102,276,300</u>	<u>\$ 113,009,502</u>	<u>\$ 107,097,933</u>

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net Position					
Net investment in capital assets	\$ 82,359,487	\$ 82,216,322	\$ 80,952,196	\$ 78,971,219	\$ 78,227,737
Unrestricted	17,912,540	13,013,133	15,834,495	15,163,715	15,374,171
Total Net Position	<u>\$ 100,272,027</u>	<u>\$ 95,229,455</u>	<u>\$ 96,786,691</u>	<u>\$ 94,134,934</u>	<u>\$ 93,601,908</u>

Source: Vista Irrigation District

Table II
CHANGES IN NET POSITION
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Operating Revenues:										
Water sales	\$ 44,934,557	\$ 41,193,157	\$ 44,594,810	\$ 46,858,642	\$ 44,675,640	\$ 38,929,306	\$ 36,935,147	\$ 35,112,935	\$ 30,785,729	\$ 30,158,938
Property rentals	770,023	718,075	738,767	705,845	666,495	475,148	740,341	546,448	556,131	505,513
Other services	645,880	657,891	428,667	454,842	206,602	285,692	282,608	342,551	244,894	522,448
System fees	1,029,580	622,039	853,041	667,311	228,954	297,553	332,643	94,243	130,683	354,184
Total operating revenues	47,380,040	43,191,162	46,615,285	48,686,640	45,777,691	39,987,699	38,290,739	36,096,177	31,717,437	31,541,083
Operating Expenses:										
Purchased water	23,826,729	18,721,053	19,235,486	21,351,934	19,438,447	14,767,680	11,705,489	13,956,299	11,978,556	13,814,124
Wages and benefits	13,492,353	11,870,598	12,298,601	12,026,730	11,902,693	12,223,638	13,207,539	12,540,325	12,374,900	12,151,999
Depreciation	2,719,379	2,581,311	3,363,263	3,222,382	3,122,974	3,022,459	2,967,954	2,893,214	2,839,422	2,731,596
Contractual services	3,495,060	4,125,191	3,827,299	3,932,249	3,551,800	3,554,268	3,228,825	2,592,296	2,721,679	2,650,631
Supplies	1,450,699	1,396,166	1,309,636	1,369,388	969,997	1,078,481	1,025,154	956,271	1,107,503	1,226,572
Professional fees	949,374	700,489	658,616	634,801	799,509	831,775	730,715	822,454	709,350	911,761
Power	525,897	656,238	662,164	603,100	735,024	434,811	536,753	575,442	732,570	737,235
Office and general	481,697	489,547	488,237	445,363	477,700	422,474	419,434	515,170	549,509	659,782
Insurance	535,788	531,811	489,023	476,242	407,580	363,291	332,528	291,909	257,289	266,362
Uncollectible accounts	-	-	-	60,389	54,046	72,180	80,472	125,418	125,851	83,509
Communications	56,779	49,845	55,126	57,814	61,278	72,668	83,428	68,200	64,225	68,093
Burden allocation	(1,422,130)	(1,255,779)	(945,126)	(947,821)	(934,908)	(1,074,815)	(932,041)	(1,277,798)	(1,045,086)	(938,878)
Total operating expenses	46,111,625	39,866,470	41,442,325	43,232,571	40,586,140	35,768,910	33,386,250	34,059,200	32,415,768	34,362,786
Operating Income (Loss)	1,268,415	3,324,692	5,172,960	5,454,069	5,191,551	4,218,789	4,904,489	2,036,977	(698,331)	(2,821,703)
Nonoperating Revenues (Expenses):										
Property taxes	423,469	384,960	381,843	443,255	387,889	313,008	305,985	367,482	340,351	348,561
Investment income	168,777	129,591	63,423	45,451	53,471	47,225	79,800	76,377	359,773	886,671
Gain (Loss) on disposal of capital assets	(139,088)	(16,209)	30,557	(3,819)	9,414	(6,235)	(22,426)	(53,133)	7,339	-
Interest Expense	-	-	-	-	-	-	-	(192,500)	(144,375)	-
Federal and state assistance	-	-	42,810	-	64,015	-	578	-	-	-
Legal settlement	(66,961)	(83,905)	(55,173)	(94,732)	(57,090)	(83,096)	231,600	-	-	(3,850,000)
Total Nonoperating Revenues (Expenses)	386,197	414,437	463,460	390,155	457,699	270,902	595,537	198,226	563,088	(2,614,768)
Income (Loss) Before Contributed Capital	1,654,612	3,739,129	5,636,420	5,844,224	5,649,250	4,489,691	5,500,026	2,235,203	(135,243)	(5,436,471)
Contributed Capital	1,257,820	165,021	499,911	67,345	1,176,656	552,881	1,174,858	416,554	668,269	1,498,370
Change in net position	2,912,432	3,904,150	6,136,331	5,911,569	6,825,906	5,042,572	6,674,884	2,651,757	533,026	(3,938,101)
Net Position, beginning of year	106,180,450	102,276,300	113,009,502	107,097,933	100,272,027	95,229,455	96,786,691	94,134,934	93,601,908	97,540,009
Prior Period Adjustment	-	-	(16,869,533)	-	-	-	(8,232,120)	-	-	-
Net Position, end of year	\$109,092,882	\$106,180,450	\$102,276,300	\$113,009,502	\$107,097,933	\$100,272,027	\$95,229,455	\$96,786,691	\$94,134,934	\$93,601,908

Source: Vista Irrigation District

Table III
WATER SALES BY USER TYPE
Last Ten Fiscal Years

Fiscal Year Ended	<u>Residential</u>		<u>Commercial/Industrial</u>		<u>Irrigation</u>		<u>Agricultural</u>		<u>Governmental</u>		Average Rate
	<u>Value</u>	<u>Acre Feet</u>	<u>Value</u>	<u>Acre Feet</u>	<u>Value</u>	<u>Acre Feet</u>	<u>Value</u>	<u>Acre Feet</u>	<u>Value</u>	<u>Acre Feet</u>	
2017	\$19,568,389	10,767.2	\$3,365,773	1,720.3	\$3,237,014	1,765.9	\$1,635,378	883.5	\$704,645	359.0	\$1,840
2016	\$17,679,019	10,153.3	\$3,037,823	1,681.5	\$2,562,469	1,389.9	\$1,588,646	882.3	\$477,063	268.1	\$1,763
2015	\$20,141,952	11,900.4	\$3,214,629	1,866.1	\$3,377,886	1,954.8	\$1,646,475	954.0	\$766,433	441.3	\$1,703
2014	\$21,671,513	13,079.4	\$3,275,725	1,945.6	\$3,835,833	2,287.1	\$1,810,450	1,075.1	\$1,276,974	740.5	\$1,666
2013	\$20,750,003	13,114.2	\$3,144,742	1,953.8	\$3,384,426	2,098.8	\$1,665,459	1,031.2	\$1,159,166	706.4	\$1,592
2012	\$17,831,592	12,190.5	\$2,677,141	1,796.0	\$2,561,020	1,728.2	\$1,405,719	938.3	\$897,168	588.3	\$1,472
2011	\$16,593,101	12,386.3	\$2,597,904	1,863.5	\$2,402,331	1,725.8	\$1,416,245	994.9	\$915,714	619.4	\$1,360
2010	\$15,409,252	12,922.8	\$2,376,951	1,891.1	\$2,081,667	1,719.8	\$1,343,192	1,075.2	\$858,695	663.7	\$1,208
2009	\$13,721,293	14,279.2	\$2,062,765	2,137.1	\$2,102,655	2,201.1	\$1,356,949	1,473.6	\$746,221	775.0	\$958
2008	\$13,422,143	15,037.8	\$2,045,280	2,274.3	\$2,081,908	2,346.4	\$1,640,548	1,936.8	\$684,716	766.9	\$897

Source: Vista Irrigation District

Table IV
SERVICE CONNECTIONS
Last Ten Fiscal Years

<u>Fiscal Year Ended</u>	<u>Residential</u>	<u>Commercial/Industrial</u>	<u>Irrigation</u>	<u>Agricultural</u>	<u>Fire Service</u>	<u>Governmental</u>	<u>Total</u>
2017	24,209	1,582	928	572	1,240	91	28,622
2016	24,036	1,587	918	574	1,237	91	28,443
2015	24,191	1,606	914	586	1,236	92	28,625
2014	24,191	1,608	897	562	1,228	94	28,580
2013	24,048	1,601	889	567	1,218	92	28,415
2012	24,061	1,603	887	555	1,211	92	28,409
2011	23,974	1,630	877	557	1,183	92	28,313
2010	23,958	1,647	864	568	1,177	91	28,305
2009	23,982	1,597	838	573	1,138	90	28,218
2008	23,778	1,614	825	740	1,111	84	28,152

Source: Vista Irrigation District

Table V
WATER RATES
Last Ten Fiscal Years

Fiscal Year Ended	VID Commodity Charge per HCF*				Monthly ¾" Meter Charge
	Domestic - Tier 1	Domestic - Tier 2	Domestic - Tier 3	Agricultural	
2017**	\$4.16	\$4.70	\$4.70	\$4.48	\$35.85
2016**	\$4.04	\$4.58	\$4.58	\$4.36	\$34.76
2015**	\$3.73	\$4.27	\$4.27	\$4.05	\$33.67
2014**	\$3.61	\$4.15	\$4.15	\$3.93	\$32.85
2013**	\$3.52	\$4.06	\$4.06	\$3.84	\$31.87
2012**	\$3.29	\$3.83	\$3.83	\$3.61	\$30.04
2011**	\$3.01	\$3.55	\$3.55	\$3.33	\$29.30
2010***	\$2.69	\$3.23	\$4.37	\$3.01	\$29.30
2009	\$2.34	NA	NA	\$2.00	\$23.70
2008	\$2.14	NA	NA	\$1.80	\$22.70

* HCF = One Hundred Cubic Feet

** The tier 3 rate is only imposed during times of water delivery cutbacks stipulated by the San Diego County Water Authority. When no water delivery cutbacks are imposed by the Water Authority, Tier 3 usage is billed at the Tier 2 rate.

*** Tiered rate structure implemented 9/1/2009

Source: Vista Irrigation District

Table VI
PRINCIPAL WATER CUSTOMERS
Current Fiscal Year and Nine Years Prior

<u>Fiscal Year ended June 30, 2017</u>			<u>Fiscal Year ended June 30, 2008</u>		
<u>Customer</u>	<u>Usage in Acre Feet</u>	<u>Percent of Water Sold</u>	<u>Customer</u>	<u>Usage in Acre Feet</u>	<u>Percent of Water Sold</u>
Courthouse	127.7	0.82%	Golf Course	332.2	1.49%
Industrial	66.0	0.43%	Courthouse	113.7	0.51%
Industrial	53.4	0.34%	High School	54.8	0.24%
Agriculture	41.3	0.27%	Agriculture	52.4	0.23%
Mobile Home Park	38.7	0.25%	Industrial	51.2	0.23%
High School	33.3	0.21%	Agriculture	48.8	0.22%
Mobile Home Park	32.1	0.21%	Industrial	43.5	0.19%
Mobile Home Park	30.5	0.20%	Convalescent	42.7	0.19%
Agriculture	30.0	0.19%	Agriculture	42.5	0.19%
Agriculture	29.3	0.19%	Park	40.3	0.18%
Total Top Ten Customers	<u>482.3</u>	<u>3.11%</u>	Total Top Ten Customers	<u>822.1</u>	<u>3.68%</u>
Other Customers	<u>15,013.6</u>	<u>96.89%</u>	Other Customers	<u>21,547.1</u>	<u>96.32%</u>
Total Water Sales	<u><u>15,495.9</u></u>	<u><u>100.00%</u></u>	Total Water Sales	<u><u>22,369.2</u></u>	<u><u>100.00%</u></u>

Source: Vista Irrigation District

Table VII
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year	Total Population	Average Household Size	Unemployment Rate*	Per Capita Personal Income*	Total Personal Income (1)
2008	122,677	3.10	6.7%	\$39,336	\$4,825,629
2009	123,312	3.11	10.4%	\$35,276	\$4,349,896
2010	125,752	3.11	9.6%	\$34,929	\$4,392,371
2011	126,655	3.12	9.2%	\$32,590	\$4,127,626
2012	127,796	3.13	8.2%	\$33,016	\$4,219,316
2013	129,341	3.15	7.0%	\$38,359	\$4,961,416
2014	130,182	3.16	5.7%	\$34,518	\$4,493,673
2015	130,745	3.17	4.6%	\$39,840	\$5,208,847
2016	132,101	3.18	4.2%	\$45,981	\$6,037,841
2017	133,286	3.18	<i>n/a**</i>	<i>n/a**</i>	<i>n/a**</i>

* NOTE: Values in *italics* text are for the City of Vista. All other values are for the Vista Irrigation District.

** NOTE: Data for the current year is not yet available.

(1) Amounts presented may vary from the prior year's report due to inflation adjustments.

Source: SANDAG

Table VIII
Principal Employers – County of San Diego
Current Fiscal Year and Nine Years Prior

Fiscal Year Ended June 30, 2017 ⁽¹⁾			Fiscal Year Ended June 30, 2008 ⁽²⁾		
Employer Name	Industry	No. of Employees	Employer Name	Industry	No. of Employees
University of California, San Diego	Education	10,000+	City of San Diego	Government	10,000+
County of San Diego	Government	10,000+	County of San Diego	Government	10,000+
United States Navy, San Diego	Government - Military	10,000+	San Diego Unified School District	Education	10,000+
City of San Diego	Government	10,000+	Sharp Healthcare	Healthcare	10,000+
San Diego Unified School District	Education	10,000+	United States Gov't 32 nd Street Naval Station	Government – National Security	10,000+
Sharp Healthcare	Healthcare	10,000+	United States Gov't North Island NAS	Government – National Security	10,000+
Scripps Healthcare	Healthcare	10,000+	Kaiser Permanente	Healthcare	5,000-9,999
Qualcomm, Inc.	Technology	5,000-9,999	San Diego Naval Medical Center	Healthcare	5,000-9,999
Kaiser Medical Center	Healthcare	5,000-9,999	UCSD Medical Center	Healthcare	5,000-9,999
San Diego State University	Education	5,000-9,999	Goodrich Aerospace	Aerospace	1,000-4,999

Source: ¹ San Diego's Top 10 Employers www.sandiegostop10.com/employers.aspx

² Employment Development Department Website

Table IX
NUMBER OF EMPLOYEES
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Employees	89	87	88	84	90	94	94	101	104	103
Average Years of Service	12.8	12.0	11.6	11.9	11.7	11.8	11.1	10.4	10.4	11.4

Source: Vista Irrigation District

Table X
OPERATING AND CAPITAL INDICATORS
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Service Area (acres)	21,160	21,160	21,160	21,200	21,200	21,200	21,200	21,200	21,200	21,200
Miles of water main (4" and larger)	473	473	473	473	473	471	470	470	469	469
Number of enclosed reservoirs	12	12	12	12	12	12	12	12	14	14
Capacity of enclosed reservoirs (acre feet)	141	141	142	142	142	142	142	142	147	147
Number of open reservoirs	1	1	1	1	1	1	1	1	1	1
Capacity of open reservoirs (acre feet)	51,774	51,774	51,774	51,774	51,774	51,774	51,774	51,774	51,774	51,774
Number of pump stations	7	7	7	7	7	7	7	8	8	8
Number of pumps	18	18	18	18	18	18	18	19	19	19
Total capacity of pumps (horsepower)	1,045	1,045	1,045	1,045	1,045	1,055	1,055	1,075	1,110	1,110
Number of service connections	28,622	28,478	28,649	28,609	28,435	28,435	28,314	28,305	28,255	28,152
Production peak (million gallons per day)	22	20	24	32	28	26	27	31	31	37
Average production (million gallons per day)	15	14	16	18	18	17	16	19	20	21
Total rainfall (inches) - Lake Henshaw	34	21	16	13	14	20	36	33	19	30
Total rainfall (inches) - Vista	20	11	8	5	9	11	25	18	13	15
Average daily temperature (F) - Lake Henshaw	60	59	60	60	57	55	55	56	58	58
Average daily temperature (F) - Vista	63	64	64	63	62	61	61	67	64	64
Electricity purchased (1,000 kWh) - Service Area	712	1,081	1,094	1,078	1,244	1,123	1,719	1,768	1,590	1,804
Electricity purchased (1,000 kWh) - Lake Henshaw	1,964	3,176	3,352	3,310	3,800	1,315	2,178	3,178	3,841	4,100
Natural gas purchased (therms)	5,768	5,970	5,573	5,777	6,500	6,990	5,379	5,928	8,792	9,674
Mainline repairs (miles)	40	29	33	32	41	40	47	20	21	25

Source: Vista Irrigation District

Board of Directors
Vista Irrigation District
Vista, California

We have audited the financial statements of Vista Irrigation District (the District) for the year ended June 30, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 23, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of other existing policies was not changed during the year ended June 30, 2017. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the District's financial statements were:

- a. When available, management's estimate of the fair value of investments is based on quoted prices in active markets. When quoted prices in active markets are not available, fair values are based on evaluated prices received by the District's from third party service providers.
- b. Management's estimate of useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- c. Management's estimate of the allowance for doubtful accounts is based on historical water revenues, historical loss levels, and an analysis of the collectability of individual accounts.

Significant Audit Findings (Continued)

Qualitative Aspects of Accounting Practices (Continued)

- d. The annual required contributions, pension expense, net pension liability and corresponding deferred outflows of resources and deferred inflows of resources for the District's public defined benefit plans with CalPERS are based on actuarial valuations provided by CalPERS.
- e. Management's estimate of the Medical Post-Employment Benefits Plan actuarial accrued liability which impacts the annual required contributions are based upon several key assumptions that are set by management with the assistance of an independent third party actuary. These key assumptions include anticipated investment rate of return, health care cost trends, projected salary increases, mortality and certain amortization periods.

We evaluated the key factors and assumptions used to develop these estimates in determining that they were reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were reported in Note 8 regarding the defined benefit pension plan and Note 9 regarding Other Post-Employment Benefits.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely adjustments identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. As a result of our audit related testwork, we proposed no corrections to the financial statements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 12, 2017.

Significant Audit Findings (Continued)

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management’s Discussion and Analysis, the Schedule of the District’s Proportionate Share of the Plan’s Net Pension Liability and Related Ratios as of the Measurement Date, and the Schedule of Plan Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Upcoming Changes in Accounting Standards and Regulatory Updates

Other Postemployment Benefit Standards

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The scope of this Statement addresses accounting and financial reporting for postemployment benefits other than pension (other postemployment benefits or OPEB) that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures for defined benefit and define contribution plans. This Statement requires governments to report a net OPEB liability or asset on the face of the financial statements. The District is required to implement this Statement in fiscal year ending June 30, 2018.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

White Nelson Dick Evans LLP

Carlsbad, California

December 12, 2017

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors of the
Vista Irrigation District
Vista, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Vista Irrigation District (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 12, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted a certain other matter that we have reported to the Board of Directors in a separate letter dated December 12, 2017.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

White Nelson Diehl Evans LLP

Carlsbad, California
December 12, 2017

Board of Directors of the
Vista Irrigation District
Vista, California

In planning and performing our audit of the financial statements of the Vista Irrigation District (the District) as of and for the year ended June 30, 2017 in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

As discussed below, we identified a certain matter involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated December 12, 2017 on the financial statements of the District. Our comment and recommendation are intended to improve the internal control or result in other operating efficiencies.

Our comment with our recommendation for improvement is summarized as follows:

Allowance for Inventory Obsolescence

Auditors' Comment and Recommendation

The District used to calculate an annual inventory obsolescence amount to determine the balance of the allowance for obsolescence. The District changed its method in determining obsolescence. Inventory is monitored on a regular basis and inventory items that are considered obsolete are written-off. Therefore, the District no longer require an allowance for obsolescence account. However, during our review of inventory, we noted that the allowance account still has a remaining balance \$17,958. This resulted in inventory balance to be understated. We recommend that the District review and adjust the allowance for obsolescence balance.

Management's response

The District previously calculated inventory obsolescence to "age" items in inventory based on the year-end inventory count. A percentage of inventory was written off based on the age of the inventory items. When the District switched from "aging" inventory to writing off actual obsolete items, the obsolete items were deducted from the balance in the inventory obsolescence account which resulted in a balance remaining in that account. The District will reduce the inventory obsolescence account to zero and cease using it and will instead expense obsolete inventory items in the future.

District's Response to the Finding

The District's response to the finding identified in our audit is described above. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

White Nelson Dick Evans LLP

December 12, 2017
Carlsbad, California



STAFF REPORT

Agenda Item: 8

Board Meeting Date: January 3, 2018
Prepared By: Marlene Kelleher
Reviewed By: Brett Hodgkiss
Approved By: Eldon Boone

SUBJECT: FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2017

RECOMMENDATION: Informational report concerning the financial results of the District.

PRIOR BOARD ACTION: None.

FISCAL IMPACT: None.

SUMMARY: Attached for review by the Board of Directors is the Financial Report for the Year Ended June 30, 2017. This report includes the following items:

FINANCIAL STATEMENTS

- Lake Henshaw Operations- Statements of Revenues and Expenses

SPECIAL REPORTS

- Water Statistics Budget Comparison
- Revenue and Expense Budget Comparison
- Capital Outlay Comparison
- Property Revenues
- Legal Expenses

The Lake Henshaw financial statements reflect revenues and expenses directly related to operating Lake Henshaw and the surrounding Warner Ranch. The Lake Henshaw revenues were \$1,422,146, which included an estimated value of \$828,356 in local water that was provided to the District. The expenses were \$2,510,969, which included \$546,047 for legal and consulting fees related to the water rights litigation. The Lake Henshaw operations resulted in a \$1,155,784 net loss for Fiscal Year 2017.

The first three special reports listed above compare the actual results for the year ended June 30, 2017 with the budgeted amounts approved by the Board.

Overall, the District experienced a \$1.3 million operating gain this fiscal year which is a reduction from the \$3.3 million operating gain for the prior fiscal year. The District purchased \$23.8 million of imported water from the San Diego County Water Authority.

DETAILED REPORT: See attached Financial Report for the Year Ended June 30, 2017.



FINANCIAL REPORT
For the Year Ended
June 30, 2017

(UNAUDITED)

VISTA IRRIGATION DISTRICT

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FINANCIAL STATEMENTS

LAKE HENSHAW OPERATIONS

STATEMENTS OF REVENUES AND EXPENSES

Years Ended June 30, 2017 and 2016

(Unaudited)

	2017	2016
Revenues:		
Value of local water produced	\$ 828,356	\$ 1,400,424
Property rentals	584,820	537,322
Contract water sales	8,970	38,165
Total Revenues	<u>1,422,146</u>	<u>1,975,911</u>
Expenses:		
Professional fees	572,792	542,974
Burden allocation	551,242	610,583
Contractual services	433,132	483,731
Depreciation	309,062	297,457
Power	288,458	382,480
Wages	230,645	260,933
Supplies	72,141	95,864
Insurance	35,552	33,352
Office and general	17,895	18,504
Communications	50	50
Total Expenses	<u>2,510,969</u>	<u>2,725,928</u>
Operating Loss	<u>(1,088,823)</u>	<u>(750,017)</u>
Nonoperating Revenues (Expenses):		
Legal settlement	<u>(66,961)</u>	<u>(83,905)</u>
Total Nonoperating Revenues (Expenses)	<u>(66,961)</u>	<u>(83,905)</u>
NET LOSS	<u>\$ (1,155,784)</u>	<u>\$ (833,922)</u>



SPECIAL REPORTS

VISTA IRRIGATION DISTRICT

WATER STATISTICS BUDGET COMPARISON Year Ended June 30, 2017 (In Acre Feet)

	Actual	Budget	Percentage of Budget
WATER SOURCES:			
Water Purchases	16,332	11,259	145%
Local Water	<u>858</u>	<u>4,641</u>	18%
Total Water Sources	<u><u>17,190</u></u>	<u><u>15,900</u></u>	108%
WATER SALES	<u><u>15,335</u></u>	<u><u>15,100</u></u>	102%

VISTA IRRIGATION DISTRICT

REVENUE AND EXPENSE BUDGET COMPARISON Year Ended June 30, 2017

	Actual	Budget	Percentage of Budget
OPERATING REVENUES			
Water sales:			
Single family	\$ 14,605,969	\$ 13,782,000	106%
Multiple family	5,040,898	4,956,000	102%
Irrigation	3,177,587	3,051,000	104%
Commercial	2,106,458	2,089,000	101%
Agricultural	1,627,310	1,950,000	83%
Industrial	1,004,177	1,066,000	94%
Government	670,766	513,000	131%
Mobile homes	624,695	688,000	91%
Contract water	8,970	58,000	15%
Unmetered	8,923	5,000	178%
Service charges	16,061,466	16,168,000	99%
Subtotal water sales	<u>44,937,219</u>	<u>44,326,000</u>	
System fees:			
Capacity	1,018,890	800,000	127%
Connection	6,512	150,000	4%
Annexation and detachments	4,178	-	-
Subtotal system fees	<u>1,029,580</u>	<u>950,000</u>	
Property rentals	770,023	691,000	111%
Other services:			
New installations	348,812	250,000	140%
Non construction services	297,068	250,500	119%
Subtotal other services	<u>645,880</u>	<u>500,500</u>	
Total Operating Revenues	<u>47,382,702</u>	<u>46,467,500</u>	102%
OPERATING EXPENSES			
Purchased water	23,826,729	16,282,500	146%
Wages and benefits:			
Salaries	7,971,814	8,046,000	99%
PERS retirement	2,479,626	1,822,000	136%
Employee health insurance	1,825,318	1,794,000	102%
FICA & medicare	598,011	580,000	103%
Workers compensation	216,624	240,000	90%
Retiree medical insurance	187,068	460,000	41%
Deferred compensation plan	100,630	95,000	106%
Life and disability insurance	75,598	75,000	101%
Uniforms	28,889	30,000	96%
Tuition reimbursement	5,838	3,000	195%
EAP counseling	2,937	2,800	105%
Unemployment insurance	-	5,000	0%
Subtotal wages and benefits	<u>13,492,353</u>	<u>13,152,800</u>	

VISTA IRRIGATION DISTRICT

REVENUE AND EXPENSE BUDGET COMPARISON Year Ended June 30, 2017

	Actual	Budget	Percentage of Budget
Contractual services	3,495,060	4,582,500	76%
Depreciation	2,719,379	2,652,000	103%
Supplies	1,450,699	1,157,000	125%
Professional fees:			
Legal	652,015	495,000	132%
Consulting	267,294	465,000	57%
Audit	30,065	20,000	150%
Subtotal professional fees	<u>949,374</u>	<u>980,000</u>	
Insurance	535,788	517,000	104%
Power	525,897	679,600	77%
Office and general:			
Fees and permits	172,761	147,200	117%
Postage	74,416	75,800	98%
Employment related expense	54,636	59,200	92%
Dues, subscriptions, and publications	44,052	49,000	90%
Training	38,194	48,000	80%
Travel	37,989	41,000	93%
Office supplies	21,513	31,000	69%
Computer hardware	19,236	34,500	56%
Printing	11,259	12,700	89%
Computer software	4,818	8,900	54%
Awards and contributions	2,823	6,700	42%
Subtotal office and general	<u>481,697</u>	<u>514,000</u>	
Communications	56,779	56,100	101%
Uncollectible accounts	2,662	31,000	9%
Burden allocation	(1,422,130)	(1,000,000)	142%
Total Operating Expenses	<u>46,114,287</u>	<u>39,604,500</u>	116%
Operating Income	1,268,415	6,863,000	18%
NONOPERATING REVENUES (EXPENSES)			
Property taxes	423,469	400,000	106%
Investment income	168,777	150,000	113%
Legal settlement	(66,961)	(70,000)	96%
Loss on disposal of capital assets	(139,088)	-	-
Total Nonoperating Revenues	<u>386,197</u>	<u>480,000</u>	80%
Income Before Contributed Capital	<u>\$ 1,654,612</u>	<u>\$ 7,343,000</u>	23%

VISTA IRRIGATION DISTRICT

CAPITAL OUTLAY COMPARISON

June 30, 2017

	Budget Item #	Board Approved (Inception To Date)	Outlay To Date	Capital Outlay Remaining
CUSTOMER SERVICE:				
Utility Billing Software	16-02	125,000	50,278	-
ENGINEERING:				
E43 Regulator Relocation & Upgrade	10-02	15,000	-	15,000
AB Line Replacement	11-04	1,100,000	133,971	966,029
East Vista Way - Mason Road Pipeline	12-02	600,000	-	600,000
S Santa Fe Pipeline - Mar Vista to Montg	12-03	10,000	-	10,000
Flume - Siphon Replacement	15-03	1,300,000	65,883	1,234,117
Flume - Pressure Zone Loop	15-05	280,000	13,575	266,425
FY 2016 Main Replacement Program	16-03	1,500,000	1,774,013	-
E Reservoir	16-04	50,000	-	50,000
Paseo Santa Fe Project	16-05	300,000	-	300,000
HP Reservoir Rehabilitation	17-01	3,000,000	1,993,681	1,006,319
FY 2017 Main Replacement Program	17-02	2,500,000	2,318,964	181,036
Flume Relocation	17-03	800,000	1,053,256	-
		<u>11,455,000</u>	<u>7,353,343</u>	<u>4,628,926</u>
FIELD SERVICES:				
Vehicles (5)	16-06	199,000	135,780	63,220
Valve Operator	16-08	65,000	59,805	-
Vehicles (6)	17-04	250,000	209,103	-
Shoring System	17-05	30,000	25,937	-
Brush Chipper	17-06	25,000	22,173	-
Ford F-550	-	-	46,240	-
		<u>569,000</u>	<u>499,038</u>	<u>63,220</u>
FINANCE:				
Phone System	17-07	35,000	-	35,000
Data Switch	17-08	28,000	-	28,000
Server	17-09	15,800	14,919	-
		<u>78,800</u>	<u>14,919</u>	<u>63,000</u>
OPERATIONS:				
Flow Meter	16-13	52,000	57,800	-
Hydraulic Butterfly Valve and Seismic Actuator	17-10	48,000	24,155	23,845
Altitude and Seismic Valve Actuators	17-11	14,000	20,865	-
Backflow Management Software	17-12	7,500	5,700	-
Pump Control Valve	-	-	11,637	-
		<u>121,500</u>	<u>120,157</u>	<u>23,845</u>

VISTA IRRIGATION DISTRICT

CAPITAL OUTLAY COMPARISON

June 30, 2017

	Budget Item #	Board Approved (Inception To Date)	Outlay To Date	Capital Outlay Remaining
WATER RESOURCES:				
On-Site Chlorine Generation System	11-12	3,350,000	2,664,321	685,679
Leach Fields (2)	16-15	14,000	-	14,000
		<u>3,364,000</u>	<u>2,664,321</u>	<u>699,679</u>
		<u>\$ 15,713,300</u>	<u>\$ 10,702,056</u>	<u>\$ 5,478,670</u>

VISTA IRRIGATION DISTRICT

PROPERTY REVENUES Years Ended June 30, 2017 and 2016

	6/30/17	6/30/16
Hein Hettinga	\$ 217,737	\$ 194,861
Department of Defense - Navy 2nd lease	95,218	93,916
My Country Club, Inc.	90,714	80,000
Department of Defense - Navy	53,600	52,866
Lake Henshaw Resort, Inc.	47,539	39,445
Crown Castle - Cabrillo Circle	45,542	44,215
T-Mobile - Lupine Hills	45,459	44,136
Cingular Wireless/AT&T	39,102	37,057
Crown Castle GT Co.	38,886	37,569
Verizon Wireless	19,356	19,054
Sprint	18,218	18,626
Crown Castle - Vista Towers	17,382	16,794
Mendenhall Cattle Company, Inc.	13,330	13,416
Puerta La Cruz	11,850	11,670
Sempra Energy	11,806	11,665
Noll Seeds	1,691	-
Charles Chester Taylor	1,650	1,650
Department of Agriculture	500	50
Vallecitos Water District	360	360
County of San Diego - Warner Pit	83	725
	<hr/>	<hr/>
TOTAL PROPERTY REVENUES	<u>\$ 770,023</u>	<u>\$ 718,075</u>

VISTA IRRIGATION DISTRICT

LEGAL EXPENSES Year Ending June 30, 2017

General Legal Fees

Liebert, Cassidy & Whitmore	General	9,286	
Best Best & Krieger LLP	General	3,330	
Rutan & Tucker LLP	General	<u>98,157</u>	
			\$ 110,773

Water Rights Legal Fees

Horton, Knox, Carter & Foote	Indians	398,927	
Rutan & Tucker LLP	QSA	4,565	
Wilmer Cutler Pickering & Dorr LLP	Indians	<u>137,750</u>	
			<u>541,242</u>

Total Legal Costs (12 months) \$ 652,015

Total Budgeted Legal Costs (12 months) \$ 495,000



STAFF REPORT

Agenda Item: 9

Board Meeting Date: January 3, 2018
Prepared By: Brett Hodgkiss, Don Smith, and Brian Smith
Approved By: Eldon Boone

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.

FIELD SERVICES AND WATER RESOURCES DIVISION

VID Water Production

November 2017

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	0.00	0.00	2.83	265.56	3,172.60
SDCWA Raw Water	12.91	1,188.10	3.62	335.29	2,227.90
Subtotal (EVWTP Water Production)	12.91	1,188.10	6.45	600.85	5,400.50
Oceanside Contract Water	1.25	115.50	0.83	76.96	115.50
SDCWA Treated Water	1.97	181.50	8.06	756.38	2,952.10
TOTAL WATER PRODUCTION	16.13	1,485.10	15.34	1,434.19	8,468.10

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

Lake Henshaw

Storage as of December 18, 2017: 3,367 af (6% of 51,774 af capacity)
 Current releases: 0 cfs
 Change in storage for month of November: 104 af (loss)
 Total releases for month of November: 0 af
 Hydrologic year-to-date rain total: 2.03 inches (December 18, 2017)
 Percent of yearly average rain: 8% (30-year average: 24.58 inches)
 Percent of year-to-date average rain: 27% (30-year average through December: 7.40 in.)

Warner Ranch Wellfield

Number of wells running in November: 1*
 Total production for month of November: 11 af*
 Average depth to water table (November): 111 ft (see attached historical water table chart)

* Wellfield in maintenance/cattle water mode

Electrical Energy Use at VID Headquarters

November 2017

Description	Current Month Production	Average of Last 12 Months	Total, Fiscal Year-to-Date
	(kWh)	(kWh)	(kWh)
Solar Production (\$0.16 per kWh)	19,550	32,957	169,384
Power purchased from Direct Energy (\$0.05 per kWh)	27,082	15,582	97,083
TOTAL ELECTRICAL ENERGY USE	46,632	48,540	266,467

December

- Water Quality Calls/Incidents for December – received two taste and odor calls. Both calls were related to pipe lubricant from a newly installed water main.
- Continued main line replacement of 4” and 6” AC pipe on Buena Village Drive, Cathan Lane and a private easement off of York Drive – install 1,760’ of various sizes PVC pipe, 10 services and one hydrant.
- Continued main line replacement of Nipponite and steel pipe on San Luis Rey Avenue – install approximately 2,300’ of various sizes PVC, 34 services and 5 hydrants.
- Performed minor concrete repairs on Henshaw Dam spillway.

January

- Continue main line replacement on Buena Village Drive, Cathan Lane and a private easement off of York Drive - install 1,760’ of various sizes PVC pipe, 10 services and one hydrant.
- Continue main line replacement of Nipponite and steel pipe on San Luis Rey Avenue – install approximately 2,300’ of various sizes PVC pipe, 34 services and 5 hydrants.
- Begin main line relocation on Pala Vista Drive for the City of Vista’s Paseo Santa Fe project.

ATTACHMENTS:

Lake Henshaw Resort, Inc., Activity Reports – October 31, 2017

VID's Warner Wellfield – Water Table Depth vs. Monthly Wellfield Production

ADMINISTRATION DIVISION

December

- The District’s total water production for November 2017 was 1,485 acre-feet (AF) compared to 1,361 AF in 2013, representing a 9 percent increase.
- Distributed materials regarding the District scholarship program to local high schools. Posted an electronic copy of the application materials on the website.
- Issued news release regarding the Board’s election of officers for 2018.
- Conducted annual review of the District’s Investment Policy as required by State law.
- Completed recruitment for the Engineering Specialist II position. Paul Dupree accepted the job offer for this position.
- Continued recruitments for Equipment Operator and Laborer Trainee positions.
- Coordinated annual Employee Appreciation Event.
- Coordinated trainings for field personnel on welding and basic electrical safety, storm water regulations and atmospheric monitors.

January

- Deliver 2018 Water Awareness Calendars to fourth grade classes. Invite teachers to schedule a classroom presentation regarding the upcoming poster contest. This year's theme is "Be Water Smart."
- Continue recruitments for Equipment Operator and Laborer Trainee positions.
- Coordinate training on job based harassment for Board members, managers and supervisors.

ENGINEERING DIVISION

December

- Mainline Replacements – Continued working on design of main replacement projects.
- The District has replaced approximately 7.1 miles of Nipponite pipe since 2002. Of the 8.9 miles of Nipponite pipe remaining in the system, replacement of 5.2 miles is currently in design and 0.1 mile is in construction.
- Master Plan Update – District staff reviewed draft chapters/technical memorandums on the pipeline condition assessment, modeling results and recommended projects, and flume out of service scenarios.
- HP Reservoir Rehabilitation – Work completed and tank is in service. See cost estimate/bid summary table attached.

January

- Mainline Replacement Projects in design (current projects): Copper Dr.*, Delta Ln.*, Hackamore Rd., San Luis Rey Ave. *, HP Reservoir Pipeline Extension, Cathan Lane, Buena Village Dr., York Dr. (Pvt Rd.), Melrose Way, Pala Vista Dr., Lonsdale Ln.*, Rosario Ln.*, Catalina Ave.*, Quails Trail*, Peach Grove Lane, Buena Creek Rd., Hollyberry Drive* (Pvt Rd.), Via Christina, Robinhood Rd., Lower Ln., Easy St., Vista Grande Dr.*, Green Hills Way, Elevado Road.
- Mainline Replacement Projects in planning (future projects): Calle Maria, Camino Mateo, Lita Lane, Camino Ciego*, Mar Vista Dr., Miramar Dr., Marine View Dr., E. Vista Way, Mason Rd., Lado De Loma, Eddy Dr., Camino Patricia, Camino Corto, Nordahl Rd.*, HN Line- Gopher Canyon to Fairview Dr., N. Citrus Ave., Nevada Ave., Lemon Ave., Buena Creek Rd.*, Via Christina, S. Santa Fe Pipeline, Rancho Vista Rd., Bandini Place, McGavran Dr., Oro Avo Dr., Shale Rock, San Clemente Ave.*, San Clemente Way*, La Mirada, Crescent Dr., Descanso Ave., Pump Station No. 10 By-Pass – Blue Bird Canyon.
- Mainline Replacements (consultant projects) – KEH and Associates to finalize the design and bid package for Group Job 1: Osborne St.*, North Santa Fe Ave.*, Taylor St.*, Goodwin Dr.*; complete pre-design report for Group Job 2: Warmlands Ave.*, Vista Grande Dr.*, Oak Dr.*, Camino Culbera*, Camino Loma Verde*, Friendly Dr.*, Catalina Ave.*, and San Clemente Ave./Way*.
- City of Vista Projects – (Paseo) South Santa Fe Streetscape Improvements: Phase II along South Santa Fe Avenue from Ocean View Drive to Terrace Drive (CIP #8289); Phase III along South Santa Fe Avenue from Terrace Drive to Civic Center Drive (CIP #8291). The City anticipates beginning construction in the Spring/Summer.
- Master Plan Update – HDR and District staff to hold Board workshop regarding planning criteria, modeling results and recommended projects, pipeline and reservoir condition assessment results, and water supply reliability analysis.

*Nipponite pipe

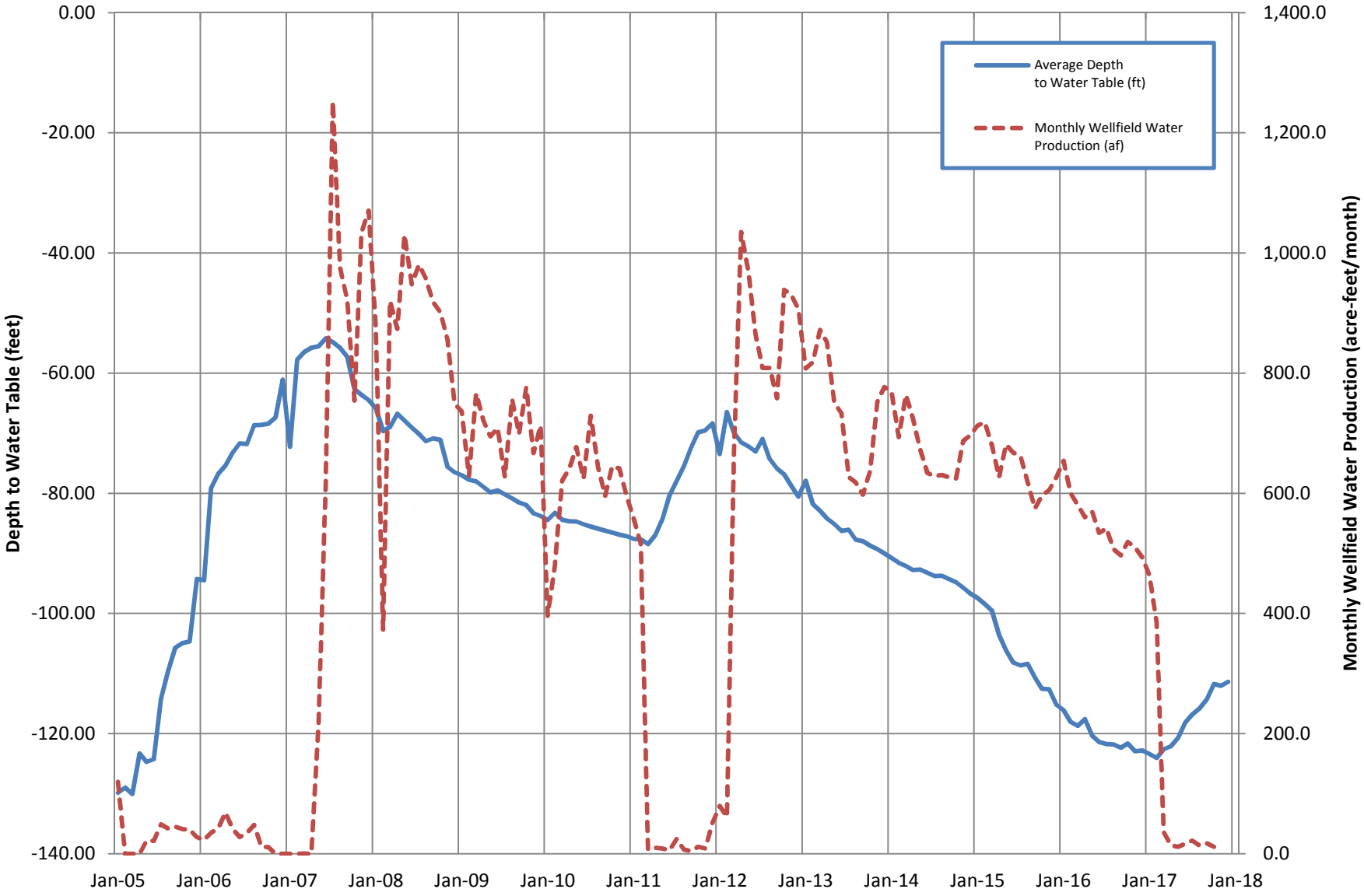


**LAKE HENSHAW RESORT, INC.
ACTIVITY REPORT
AS OF OCTOBER 31, 2017**

	2016 Oct	2016 Nov	2016 Dec	2017 Jan	2017 Feb	2017 Mar	2017 Apr	2017 May	2017 Jun	2017 Jul	2017 Aug	2017 Sep	2017 Oct	12 MO AVG
Fishing Permits	356	285	80	109	83	344	761	859	897	768	660	609	381	486
Boat Launches	5	2	0	0	1	3	22	30	46	23	23	5	7	14
Motor Boats (full day rental)	13	1	13	14	0	7	40	64	64	66	49	25	13	30
Motor Boats (half day rental)	9	2	0	0	0	0	14	13	13	20	11	4	4	7
Campground/Head Count	749	205	115	77	54	284	936	1,236	944	1,745	1,049	1,380	485	709
Campground/Cars, Trucks, etc.	347	137	17	12	15	214	263	502	325	592	444	521	172	268
Campground/Recreational Vehicles	10	19	6	0	3	6	37	21	24	9	0	15	11	13
Mobile Home/Spaces	63	64	65	65	66	68	63	69	73	80	81	88	90	73
M.H.P. Daily (Visitors/Head Count)	0	0	0	0	0	0	0	36	42	46	32	42	39	20
M.H.P. (Residents/Head Count)	89	96	98	98	99	99	97	96	113	132	133	124	126	109
Storage	2	3	6	4	7	6	3	6	6	7	4	4	4	5
Cabins	211	248	167	109	112	169	207	214	185	201	232	202	283	194
Hunters	0	0	131	78	0	0	0	0	0	0	0	0	0	17

VID's Warner Wellfield

Water Table Depth vs. Monthly Wellfield Production



HP RESERVOIR CONSTRUCTION COST ESTIMATE AND BID SUMMARY

ITEM	ESTIMATE	ACTUAL BID / QUOTE	UNDER / (OVER)
Tank Rehab			
Demo existing gunite and wire, abrasive blast wall	\$150,000	\$150,000	\$0
Extend wall footing	\$310,000	\$220,215	\$89,785
Install prestressing/seismic strand and shotcrete	\$845,300	\$880,000	(\$34,700)
Floor/wall joint mastic, backer-rod/Sikaflex, floor crack epoxy	\$160,000	\$73,750	\$86,250
Abatement and Demo			
Remove floor/wall mastic patch, encapsulate lead-paint	\$7,500	\$3,500	\$4,000
Disposal of gunite and wire	\$75,000	\$55,000	\$20,000
Demo and dispose existing roof/columns and tank footing, cut and cap roof columns	\$285,000	\$295,100	(\$10,100)
Aluminum Roof	\$650,000	\$497,195	\$152,805
Miscellaneous Items			
Special inspection services	\$12,000	\$26,500	(\$14,500)
Bonds	\$53,000	\$45,792	\$7,208
Interior SS staircase / exterior galv. staircase	\$115,000	\$229,897	(\$114,897)
Exterior painting of tank	\$30,000	\$32,452	(\$2,452)
Site office and sanitary	\$8,000	\$5,263	\$2,737
Miscellaneous Items	\$0	\$10,395	(\$10,395)
Site Restoration and Yard Piping Improvements			
Replace perimeter fence 750 lf and entry gate	\$28,400	\$56,545	(\$28,145)
Remove and replace perimeter asphalt 12,000 est. sf	\$100,800	\$57,550	\$43,250
Yard piping improvements	\$170,000	\$118,595	\$51,405
Total (Construction Budget)	\$3,000,000	\$2,757,749	\$242,251



STAFF REPORT

Agenda Item: 10

Board Meeting Date:	January 3, 2018
Prepared By:	Randy Whitmann
Reviewed By:	Brian Smith
Approved By:	Eldon Boone

SUBJECT: 2017 WATER MASTER PLAN

RECOMMENDATION: Receive informational report on the 2017 Water Master Plan.

PRIOR BOARD ACTION: On July 20, 2016, the Board authorized the General Manager to enter into an Agreement for Professional Services with HDR Engineering, Inc. for the 2017 Water Master Plan.

FISCAL IMPACT: Unknown at this time. Once finalized, the 2017 Water Master Plan will recommend a capital improvement program and prioritization of pipeline replacements and reservoir maintenance; the estimated cost of projects will be incorporated into future budgets.

SUMMARY: A Water Master Plan (Master Plan) is an important planning tool that provides an evaluation of a water system's ability to serve existing and future customers and a phased capital improvement program (CIP) to ensure adequate and reliable service through the projected ultimate build-out of the District's service area. The District's consultant, HDR Engineering, Inc. (HDR), has reviewed existing and planned land-use within the District's service area, in association with historical water use and meter records, to develop land-use based unit demand factors and projected water demands for the District (see attached draft Master Plan chapters). As anticipated, the new build-out projection is considerably less than the projection developed in the 2000 Master Plan, which is an indication that the 2017 Master Plan will likely focus more on pipeline replacements versus the previous capacity based CIP.

DETAILED REPORT: The District's historical water use has varied significantly over the past 30 years, ranging from 16,000 acre-feet per year (afy) in 1986, climbing to just over 23,000 afy in 2004, and dropping below 15,000 afy in 2016 (see Figure 3-1, page 3-1). The downward trends shown on the graph can be attributed to a number of factors ranging from economics (e.g., recession, increased water rates), weather (e.g., cool versus hot summers, dry versus wet winters), adoption of increased water conservation measures (e.g., installation of low water use toilets and appliances, efficient irrigation systems, low water use landscaping), and mandated restrictions (e.g., drought, delta smelt). While water demand forecasts typically focus on projected changes in land-use densities and increased population, one of the challenges is selecting a reasonable baseline year given these factors. For the 2017 Master Plan, water demands from calendar year 2014 were recommended by HDR, appearing to represent current demands affected by long-term trends related to the aforementioned factors.

The District's service area overlaps with the City of Vista, portions of the cities of Escondido, Oceanside and San Marcos and unincorporated areas of the County of San Diego. The existing land-use database was collected and correlated with meter records to calculate average annual water demands per land-use type and acreage (see Figure 2-4 and Table 3-2, pages 2-6 and 3-6 respectively). In comparison to the 2000 Master Plan, most non-residential use factors have decreased significantly, while only slight changes have occurred with residential development. Mixed use development, which blends residential and non-residential uses, has increased significantly.

Each land-use agency has adopted General Plan documents that will determine future development types and densities (see Figures 2-5 and 2-6, pages 2-7 and 2-9 respectively). This database and the developed unit demand factors were used to calculate a projected build-out demand of 20.3 million gallons per day (mgd).

HDR also provided a comparison of the detailed land-use based projection with the District's 2015 Urban Water Management Plan (UWMP) including drivers and variables that can affect future water use (see Table 3-6 and Figure 3-7, pages 3-16 and 3-17 respectively). Three planning variables and water use assumptions were considered to develop low, medium, and high projections including a varying increase due to dry conditions and consumer rebound; a varying increase due to economic growth; and a varying decrease from continued conservation. This resulted in a high and low projection of 24.0 mgd and 16.1 mgd, respectively, and a mid-projection of 20.1 mgd. The mid projection aligns with the land-use based projection as well as the UWMP projection for dry year conditions with conservation savings; therefore, it has been selected for the 2017 Master Plan.

The 2017 Master Plan's projection of 20.1 mgd is 25% less than the 27.2 mgd projection contained in the 2000 Master Plan. As a result, preliminary hydraulic analyses indicate that very little future expansion based projects will be required, and recommended projects in the CIP will instead focus on system reliability and redundancy, in addition to pipeline replacements.

ATTACHMENT: Draft 2017 Master Plan Chapters 1 through 3



DRAFT

Potable Water Master Plan

Vista Irrigation District

*Committed to Supplying High Quality Water in an
Economically and Environmentally Responsible Way*

November 15, 2017



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1 Introduction

This report presents the findings and recommendations of the 2017 Potable Water Master Plan Update (Master Plan) for the Vista Irrigation District (District). The report provides a comprehensive review of the potable water supply and distribution system and identifies capital improvements necessary to adapt to current and future conditions while providing reliable and economical service to the existing customers.

1.1 District Overview

The District encompasses a service area of over 21,000 acres in North San Diego County, approximately 30 miles north of downtown San Diego. It serves water to the entire City of Vista, unincorporated areas of the County of San Diego and a small portion of the City of San Marcos. These municipal boundaries and the District service area are shown on the Vicinity Map in **Figure 1-1**. The service area is comprised of a variety of land uses including residential, commercial, industrial, agricultural and open space.

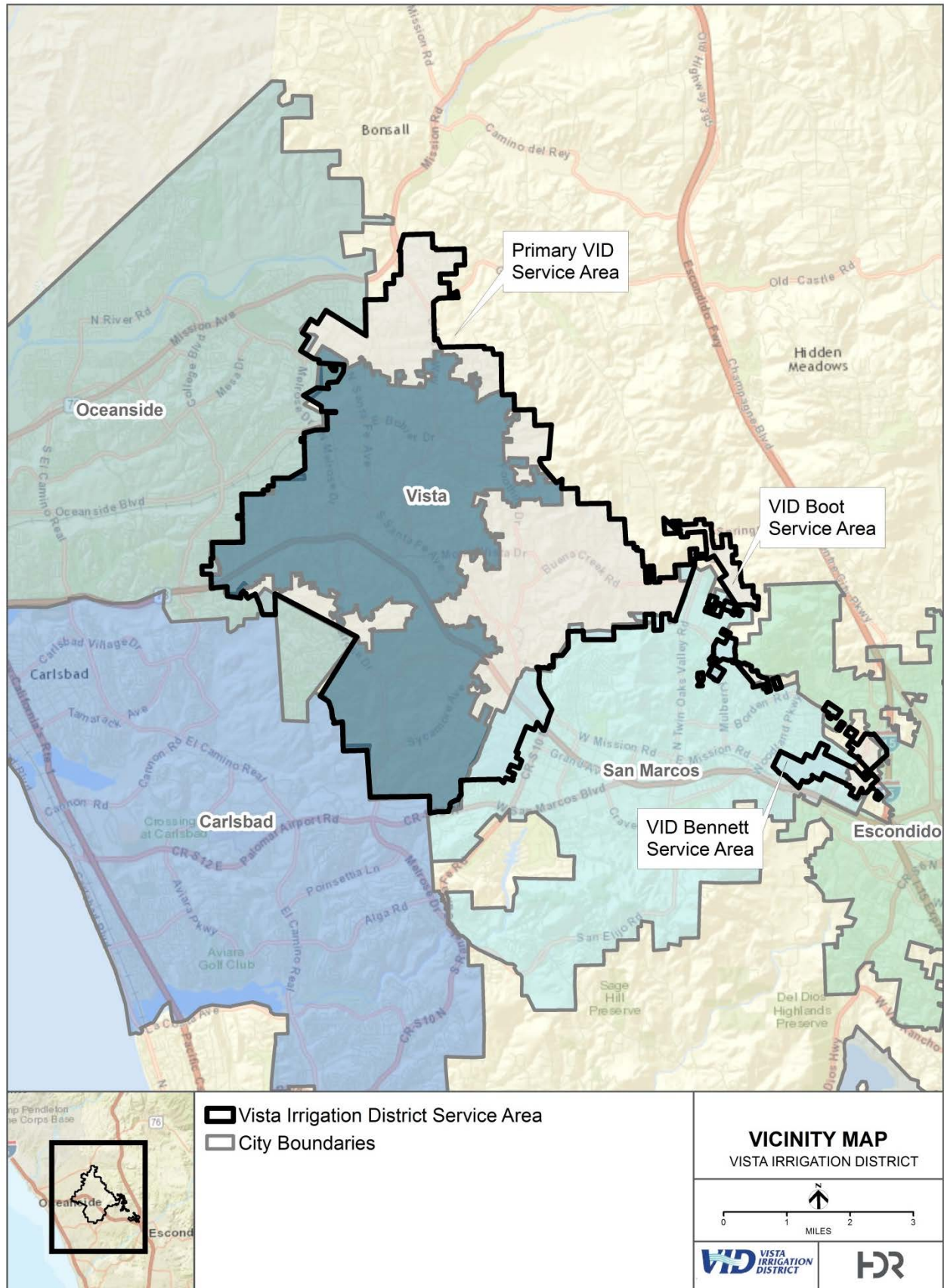
Surrounding water agencies, shown on **Figure 1-2**, include the City of Oceanside to the west, Vallecitos Water District (VWD) to the east and south, the Carlsbad Municipal Water District to the southwest and Rainbow Municipal Water District to the north. The Twin Oaks Valley area, commonly referred to as the “Boot Area” and the “Bennett Area,” are located east of the main service area. These areas fall within the VWD sphere of influence but are currently being served by the District.

The District has both local and imported water supplies. It receives imported water supply from the San Diego County Water Authority (Water Authority) aqueducts, which imports water from northern California and the Colorado River, via the Metropolitan Water District of Southern California (MWD) to serve San Diego County. In 2015, Water Authority began operating a desalination plant in Carlsbad that supplies approximately 10 percent of the County’s water supply, offsetting the region’s reliance on imported water. The treated water from Water Authority is distributed directly from the aqueducts into the District’s water system at six locations.

Local water is derived from precipitation in the San Luis Rey River Watershed and stored in Lake Henshaw. This water is treated at the Escondido-Vista Water Treatment Plant (EVWTP) and conveyed via the Vista Flume to the Twin Oaks Valley area and the District’s Pechstein Reservoir for distribution.

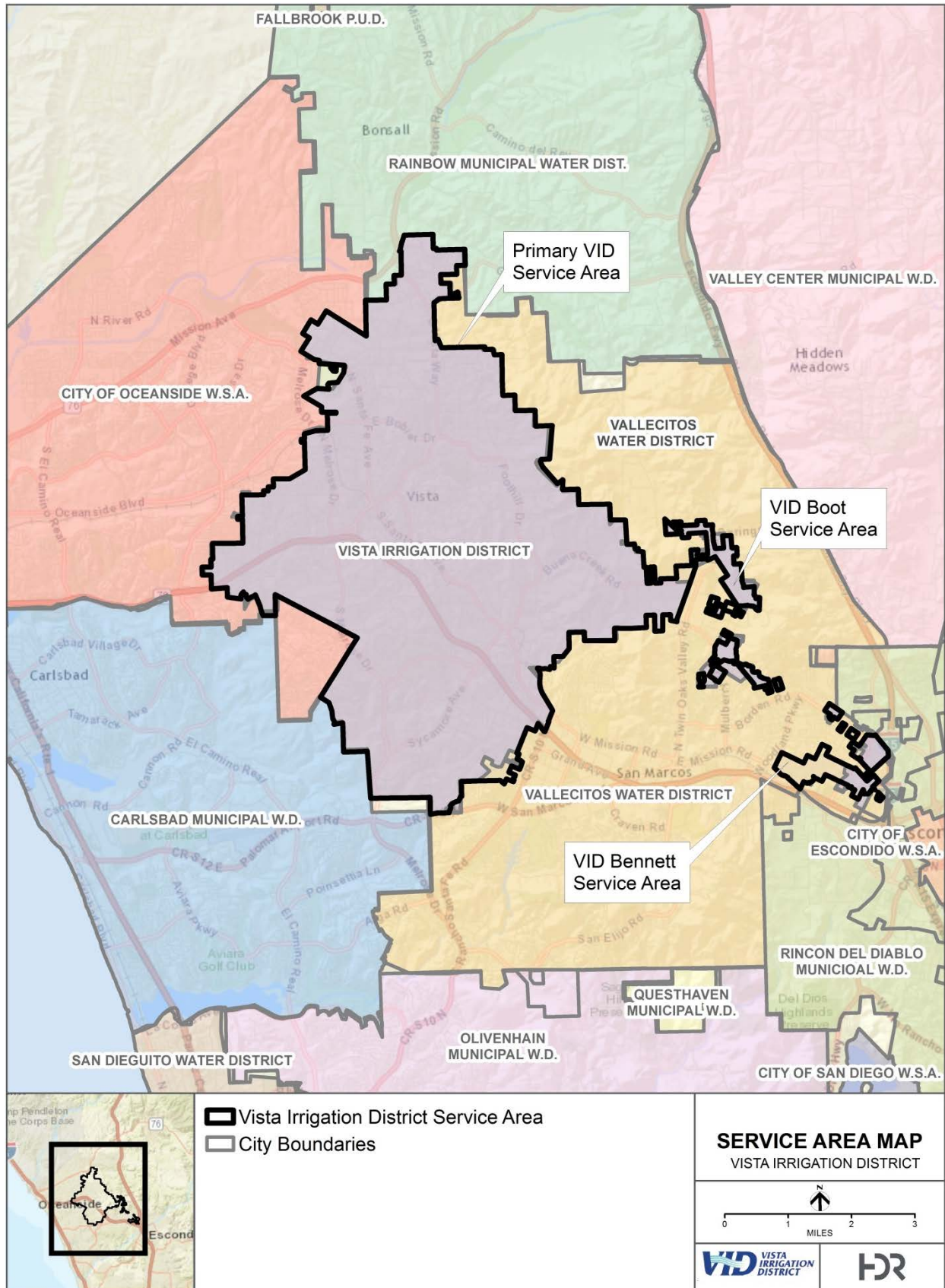
The District currently serves more than 129,000 people through approximately 28,500 metered residential and business connections. A total of 14,375 acre feet (AF), or nearly 4.7 billion gallons, of water was distributed and sold within the District in fiscal year (FY) 2016. Of that amount, 70 percent was distributed for residential use, 12 percent for industrial and commercial, 10 percent for landscape irrigation, 6 percent for agriculture and 2 percent for governmental use. The District’s distribution system includes 12 reservoirs, with a total capacity of over 46 million gallons, 6 pump stations and 473 miles of pipeline, ranging in diameter from 4-inch to 42-inch.

Figure 1-1. Vicinity Map



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Figure 1-2. District Service Area Map



1.2 Previous Water Master Plans

Various studies were conducted throughout the 1970's and 1980's to determine peaking factors and diurnal water use patterns to determine the sufficiency of the District's distribution system and adequately size new facilities. The District has maintained a computer hydraulic model of the water system since the late 1970's. This model was used to develop the 1995 Potable Water Master Plan, which was adopted by the District's Board of Directors and outlined a capital improvement program to accommodate land use development and future water demands.

The Master Plan was updated in 2000 to revise water demand projections, evaluate the potential for recycled water use, re-evaluate design criteria and update the hydraulic model using H2ONet Version 3. The 2000 Master Plan developed a capital improvement program for both the existing system and ultimate buildout facilities, based on the current land use plans.

1.3 Purpose of the 2017 Master Plan Update

The District contracted with HDR to prepare an updated Potable Water Master Plan based on information available representing the District's system circa 2017. This Master Plan includes an updated hydraulic model in the InnoVize InfoWater software platform that reflects the current Geographical Information System information and operating parameters of the potable water distribution facilities. Future water demand projections are based on adopted land uses, as defined in the City of Vista 2030 General Plan and the current land use plans of other jurisdictions within the District's service area boundaries.

This Master Plan also establishes a structured program of system improvements. Capital Improvement Program projects were identified through condition assessment of existing facilities and a hydraulic modeling and capacity analysis under existing and future conditions.

1.4 Report Organization

This Master Plan is organized as follows:

- **Chapter 2** provides an overview of the District's topography and climatological setting, as well as current and future land use plans.
- **Chapter 3** reviews the District's water demand history and projects future water demand based on current water use patterns and future land use plans.
- **Chapter 4** provides a description of the District's water supply sources.
- **Chapter 5** outlines planning and design criteria for the analysis of the distribution system.
- **Chapters 6 through 8** provide a description of the existing facilities, the development of the new hydraulic model and the analysis of the existing and future water distribution system capacity to meet demands.
- **Chapter 9** provides a summary of recommended improvements and a capital improvement program with associated planning level opinions of cost.

2 Service Area Description

The layout and sizing of potable water system facilities are greatly influenced by topography, climate and land use. Topography defines system pressure requirements. Climate impacts the seasonal use of water for irrigation. Land uses and associated water demands primarily drive the distribution system layout and capacity.

This chapter discusses the topography, climate and current and future land uses of the service area.

2.1 Topography and Terrain

The western edge of the service area is approximately 5 miles inland from the Pacific Ocean. It extends east another 10 miles to the foothills of the San Marcos Mountains. Elevations range from 300 feet above sea level toward the west and up to 1,000 feet above sea level to the east. Most of the businesses are located in the flatter areas in the center of the service area, and residences populate the surrounding hillsides. In undeveloped areas, the natural vegetation types include chaparral brushland, oak-sycamore woodland, riparian-woodland and oak-grass savanna.

2.2 Climate

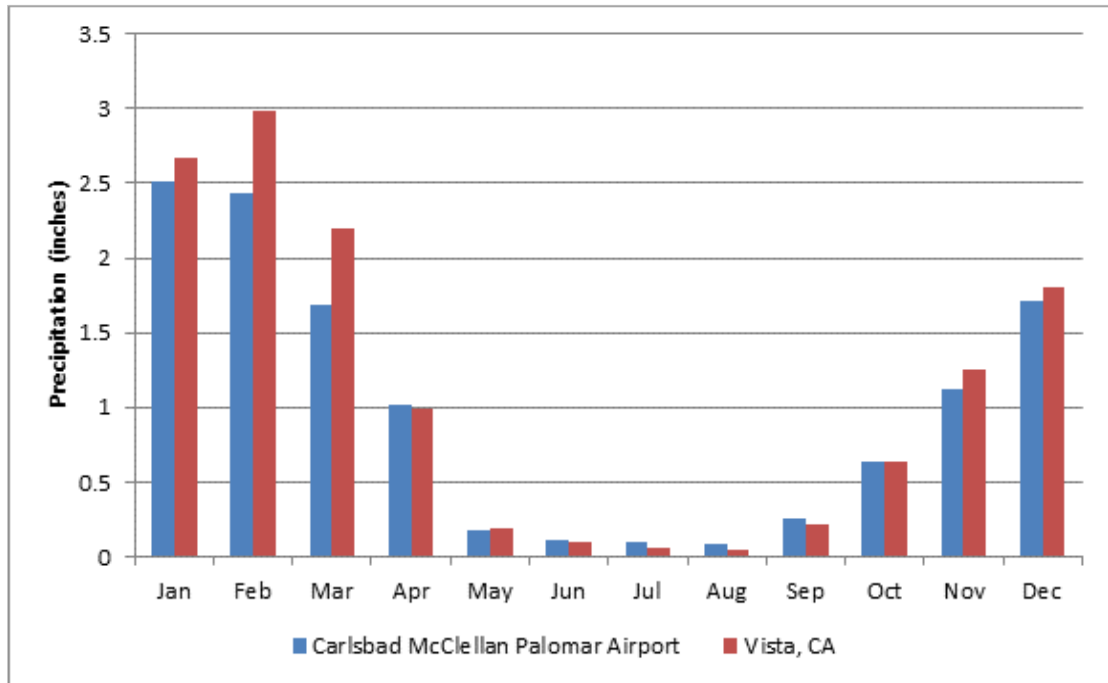
The climate in the District's service area is mild, varying from a low mean daytime temperature of 69 degrees Fahrenheit in the winter to a high mean daytime temperature of 86 degrees Fahrenheit in the summer. The average annual rainfall for Vista is approximately 13.4 inches and occurs primarily from October through April, as shown in **Figure 2-1**. Two rain gauge sites are represented on the figure:

- the Carlsbad McClellan Palomar Airport rain gauge is located just west of the southern end of the District's service area, and;
- the Vista, CA rain gauge is located near downtown Vista.

Rainfall is higher in the San Marcos Hills on the eastern edge of the District, up to 20 inches per year. The moderate climate has made Vista and surrounding areas a center of the plant nursery industry. Under normal conditions, water demand for outdoor uses is far greater during the warm, dry summer months.

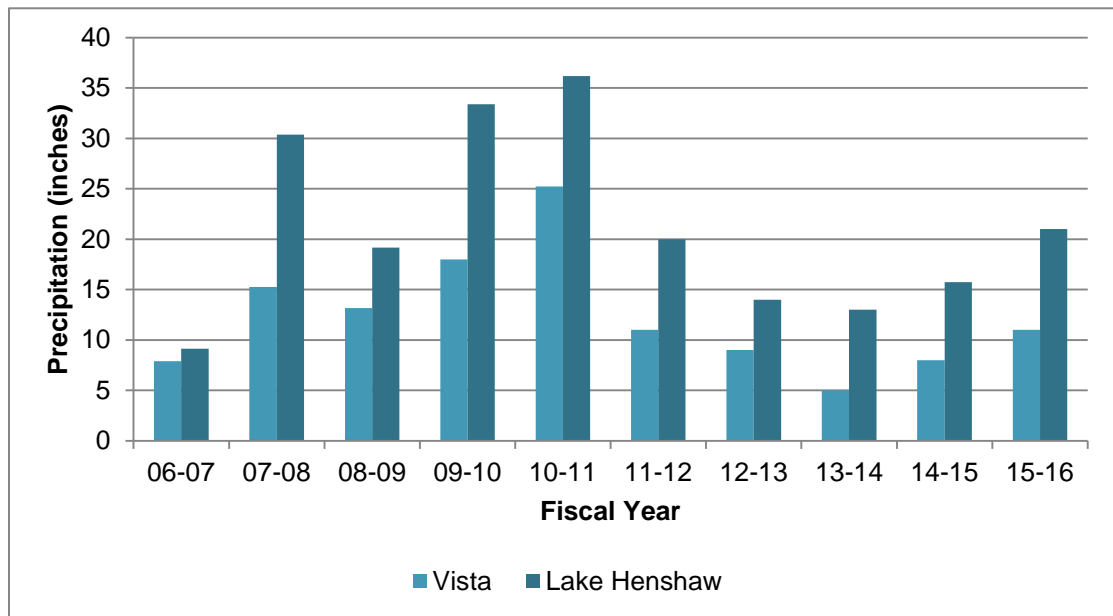
California experienced its fifth year of drought in 2015, as shown in **Figure 2-2**. Both Vista and Lake Henshaw basins, where the District draws its local water supply, exhibited below normal annual precipitation rates from 2011 through 2016. A state-wide drought emergency was declared and water conservation targets were assigned to water agencies throughout California. The District instituted mandatory water restrictions, including assigned watering days and limited irrigation run times in June 2015 to meet its reduction target of 20 percent. As the northern part of the state received much needed precipitation in the following years, water supply reservoirs began to fill.

Figure 2-1. Monthly Normal Rainfall



Source: 1981-2010 Climate Normals - National Climatic Data Center, NOAA

Figure 2-2. Local Annual Rainfall

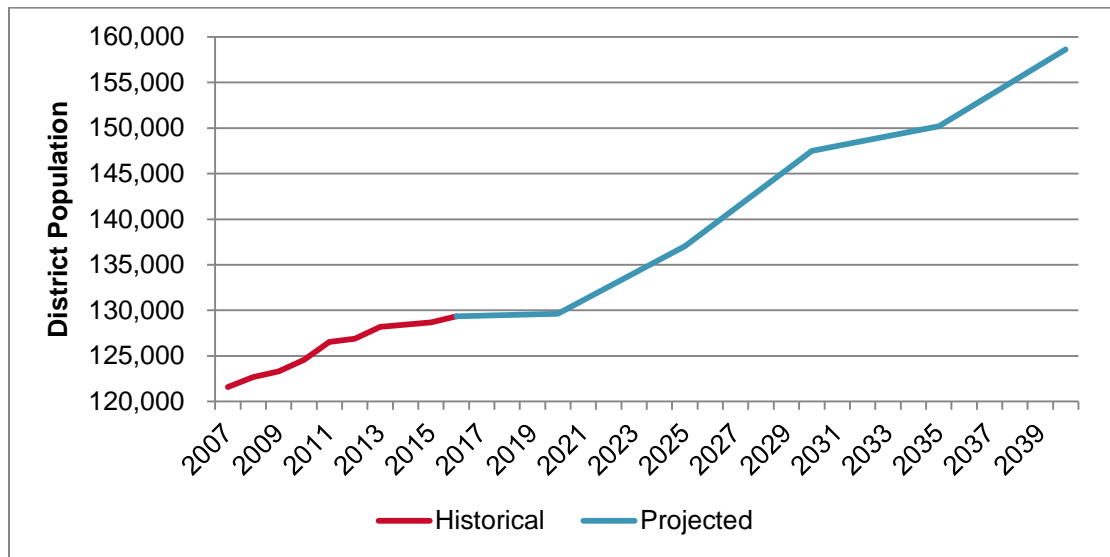


As the imported water supplies began to recover, the state revised its emergency water conservation regulations to allow water agencies to adjust their conservation targets by taking into account local climate, water efficient growth and investments in alternative water supplies. The District was able to reduce its conservation target from 20 percent to 12 percent by taking into account the new regional supply, conveyed by the Water Authority, from the Claude "Bud" Lewis Carlsbad Desalination Plant. In June 2016, the District declared an end to mandatory water use restrictions when the state allowed for a "stress test" approach. This approach allowed urban water agencies, including the District, to determine their individual conservation target based on each agency's verifiable supplies.

2.3 Population

Population within the District's service area has increased at an average rate of 0.7 percent per year over the past 10 years, as reported in the District's 2016 Audited Comprehensive Annual Financial Report (CAFR) and shown in **Figure 2-3**. According to the San Diego Association of Governments (SANDAG) Series 13 Regional Growth Forecast, the region's population will grow at a steady rate and is expected to increase to 158,627 by 2040.

Figure 2-3. Historical and Projected Population Growth



2.4 Land Use

Land use designations are a convenient means of evaluating, organizing, and projecting water demands. For example, land use categories can be used to group current water customers with similar demand patterns for the analysis of existing system capacity. Local and regional agencies have adopted planning documents that designate the allowable types of land uses within their jurisdiction. The District's boundary encompasses property within the City of Vista, the City of San Marcos, and the County of San Diego. Each of these agencies has adopted a General Plan document that is subsequently incorporated into a regional planning database that is periodically updated.

The following documents and land use data were used for this Master Plan:

- SANDAG Series 13: 2050 Regional Growth Forecast
- City of Vista Downtown Specific Plan, dated September 2015

2.4.1 City of Vista

The City of Vista, which constitutes the majority of the District's service area, has experienced considerable growth over the past 20 years, with the addition of 24,000 new residents and construction of new industrial and commercial development. Although the City is approaching buildout, it is expected to add nearly 14,775 residents by 2030. The majority of this growth is anticipated to be accommodated by infill of vacant sites and redevelopment of underutilized sites.

The Public Safety, Facilities, and Services Element of the Vista General Plan 2030 also addresses the City's potable water supply goals, which include coordinating with the District to ensure that adequate, safe and reliable water is available to meet existing and planned needs of the community. The Public Safety, Facilities, and Services specific goals and policies associated with water supply are provided in the text box below.

Water Supply

PSFS Goal 11: Continue to ensure that the City has an adequate, safe, and reliable water supply to meet the existing and planned needs of the community.

PSFS Policy 11.1: Coordinate with the Vista Irrigation District (VID) to update its Urban Water Management Plan during the regular update cycle.

PSFS: 11.2: Coordinate with VID to conduct assessments of water supply to determine if water supplies are adequate to serve the demand generated by projects.

PSFS Policy 11.3: Promote water conservation programs and use of recycled water to reduce Vista's demand for potable water.

2.4.2 Outside the City of Vista

The area along the District's eastern boundary lies within the County of San Diego. This area consists primarily of low density residential developments, slightly increasing in densifications in areas directly adjacent to State Route 78.

The 670-acre Boot Area is located primarily in the County of San Diego, and within the City of San Marcos and Vallecitos Water District spheres of influence. The area is largely agricultural and residential. As this area develops, individual parcels have been and will continue to be annexed into VWD for both water and sewer service.

The 470-acre Bennett Area is located within the City of San Marcos and Vallecitos Water District sphere of influence, and primarily includes single family homes. It is anticipated that the individual parcels within this area will eventually be annexed into VWD for water service.

2.4.3 Summary of Land Use Data

The District’s existing and future land use categories and corresponding acreages, including the Boot and Bennett areas, are listed in **Table 2-1** and are illustrated in **Figure 2-4** and **Figure 2-5**, respectively. These land uses form the basis for calculating current unit demand factors and projected water demand in **Chapter 3**.

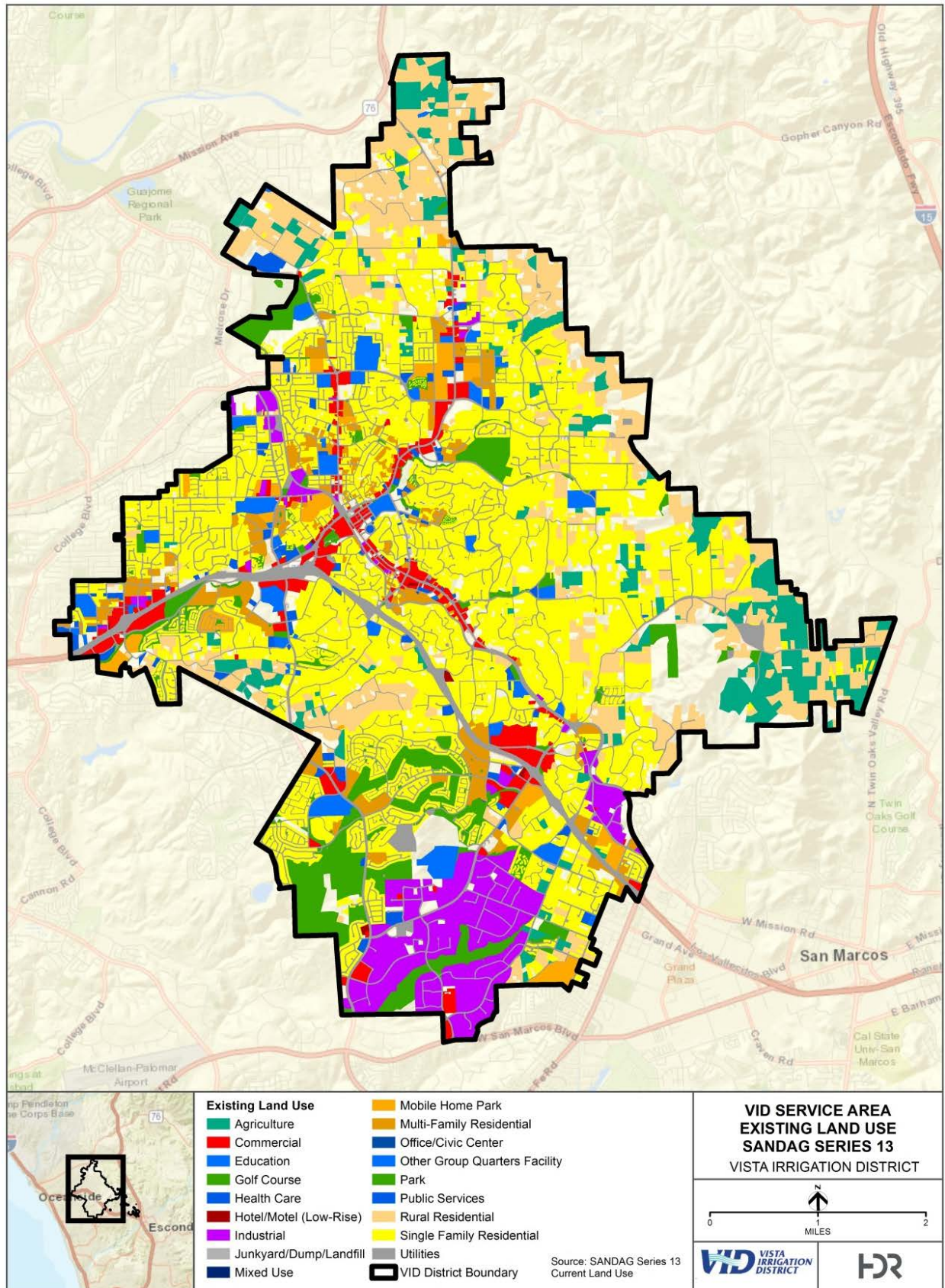
Table 2-1. Existing and Future Land Use

SANDAG Land Use Code Designation ¹	Land Use Category ¹	Current Area (Acres) ¹	2030 Projected Area (Acres) ²
10__	Rural Residential	2,854	5,060
11__	Single Family Residential	7,565	8,321
12__	Multi-Family Residential	740	858
13__	Mobile Home Park	326	281
14__	Other Group Quarters Facility	126	134
15__	Hotel/Motel (Low-Rise)	14	11
21__	Industrial	1,102	1,166
41__	Utilities	2,466	2,445
50__	Commercial	597	561
60__	Office	99	125
61__	Public Services	237	240
65__	Health Care	45	44
68__	Education	375	320
72__	Golf Course	184	166
76__	Park	1,057	1,035
80__	Agriculture	1,438	14
91__	Vacant and Undeveloped Land	1,839	-
95__	Under Construction	96	-
97__	Mixed Use	<1	377
	Total	21,158	21,158

¹ Source San Diego Association of Governments (SANDAG) Series 13 Existing and Planned Land Use, Group Codes Represent Groupings of SANDAG Land Use Codes. Area represents values for entire service area including Boot and Bennett areas.

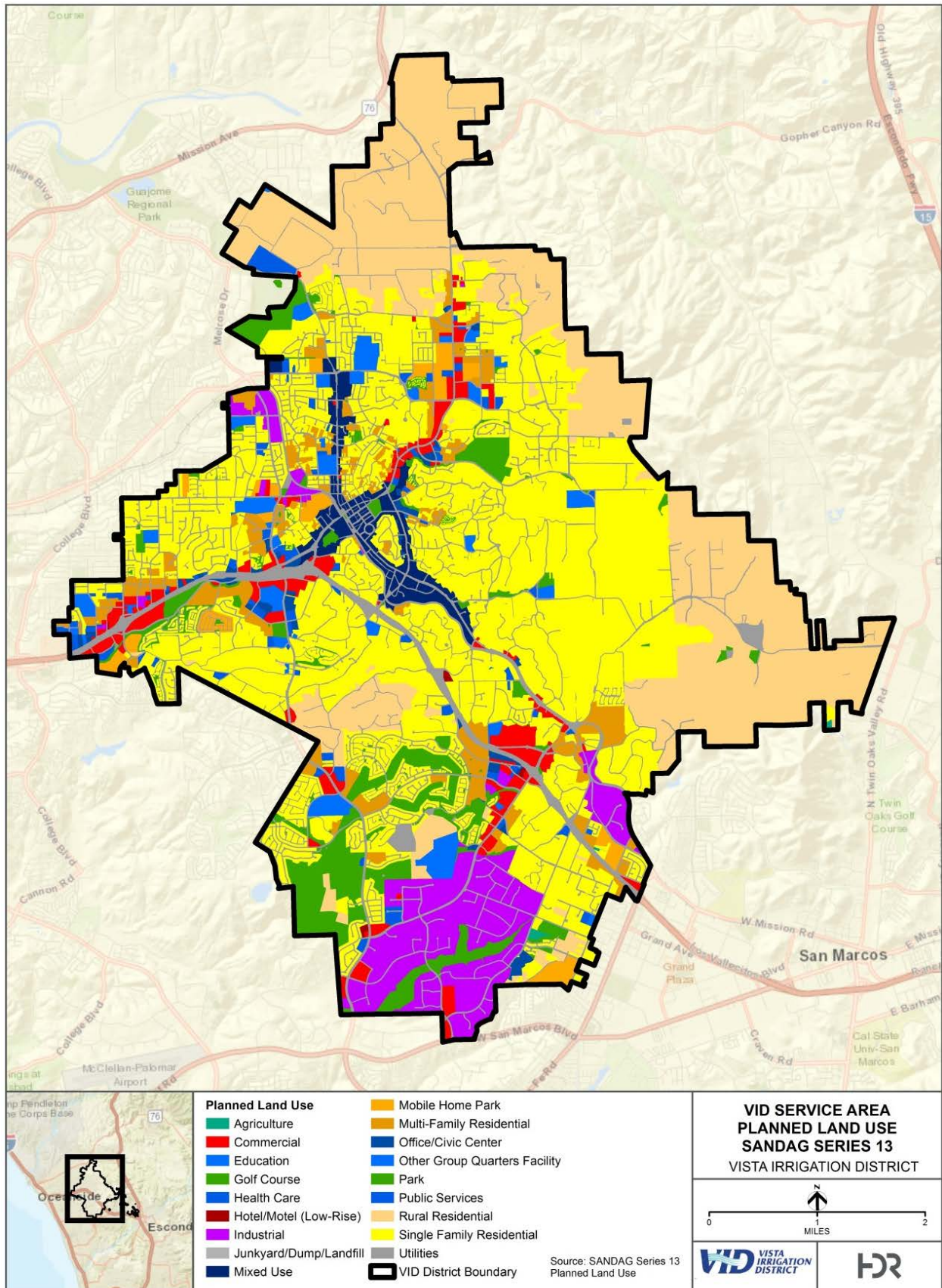
² 2030 SANDAG Projections were updated to include Downtown Vista Specific Plan Land Uses

Figure 2-4. Existing Land Use



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Figure 2-5. Buildout Land Use Map 2030 General Plan



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Figure 2-6 indicates which areas within the District are anticipated to contribute to future water demands, including the Vista Downtown Specific Planning area. These areas include currently vacant parcels that are expected to be developed and areas specifically slated for redevelopment. Redevelopment in Downtown Vista is planned to include mixed use, commercial and public service land uses.

2.5 Fire Hazard Areas

Rural residential and undeveloped areas lie within high hazard fire zones as designated by the California Department of Forestry and Fire Prevention and adopted by the Vista Fire Protection District. A hazardous fire area is defined as any geographic area mapped by the State or local jurisdiction as a high, or very high fire hazard area, or as set forth by the fire authority having jurisdiction, that contains the type and condition of vegetation, topography, weather, and structure density to potentially increase the possibility of vegetation conflagration fires shall be considered a hazardous fire area. The designated high hazard areas in the vicinity of the District's service area are shown in **Figure 2-7**.

In Ordinance 2013-23, the Vista Fire Protection District found that:

"The topography of the Vista Fire Protection District presents problems in delivery of emergency services, including fire protection. Hilly terrain with narrow, winding roads with poor circulation prevents rapid access and orderly evacuation. Many of these hills are covered with highly combustible natural vegetation. In addition to access and evacuation problems, the terrain makes delivery of water extremely difficult. Some hill areas are served by water pump systems subject to failure in fire, high winds, earthquake and other power failure situations. This would only allow domestic gravity feed water from tanks, and not enough water for fire fighting."

As such, the Vista Fire Protection District has determined that new development in wildland-urban interface fire areas will require a higher fire flow than residential areas in lesser hazardous areas. These requirements are discussed in detail in **Chapter 5, Planning and Design Criteria**.

Figure 2-6. Future Densification Areas

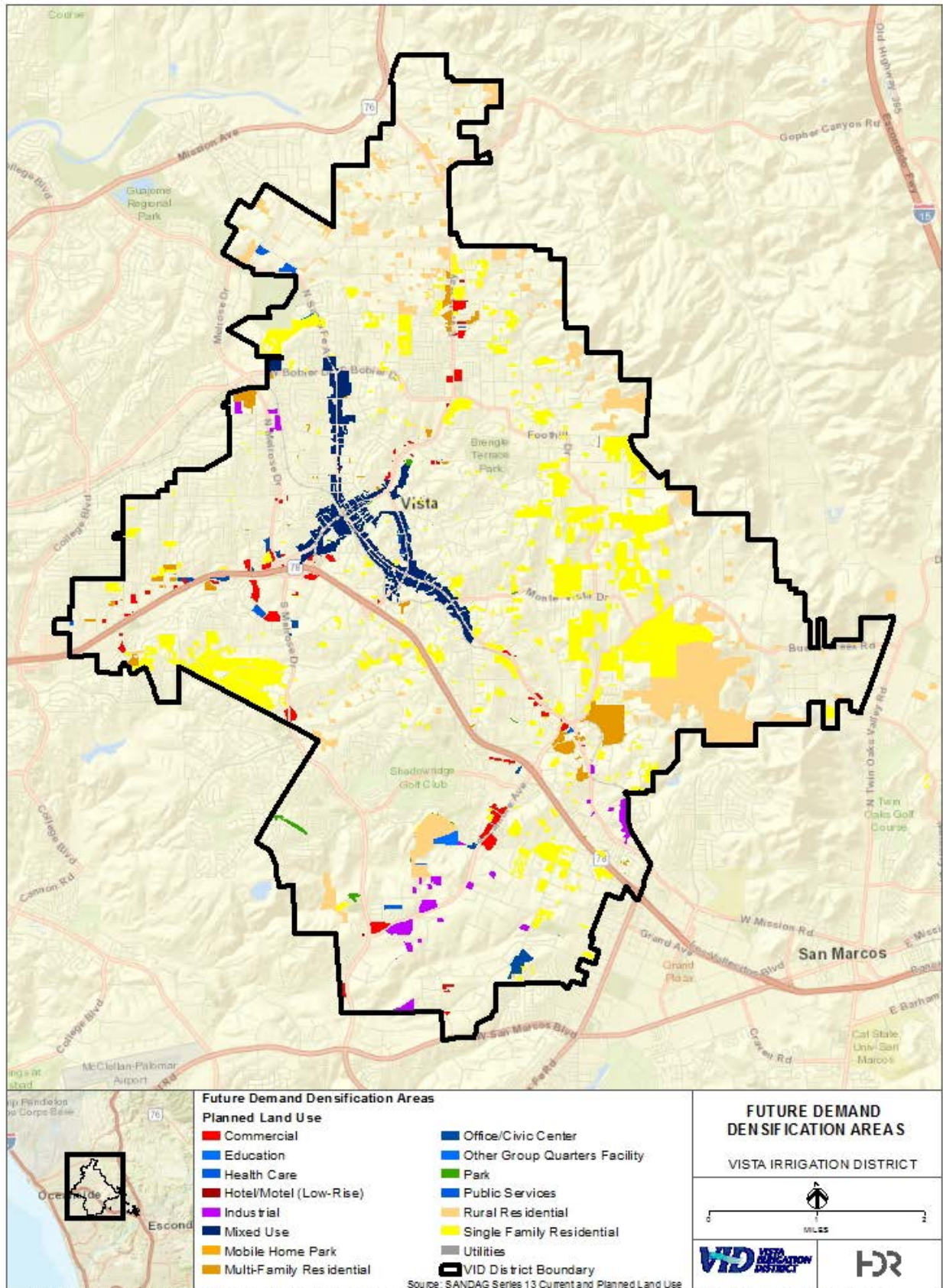
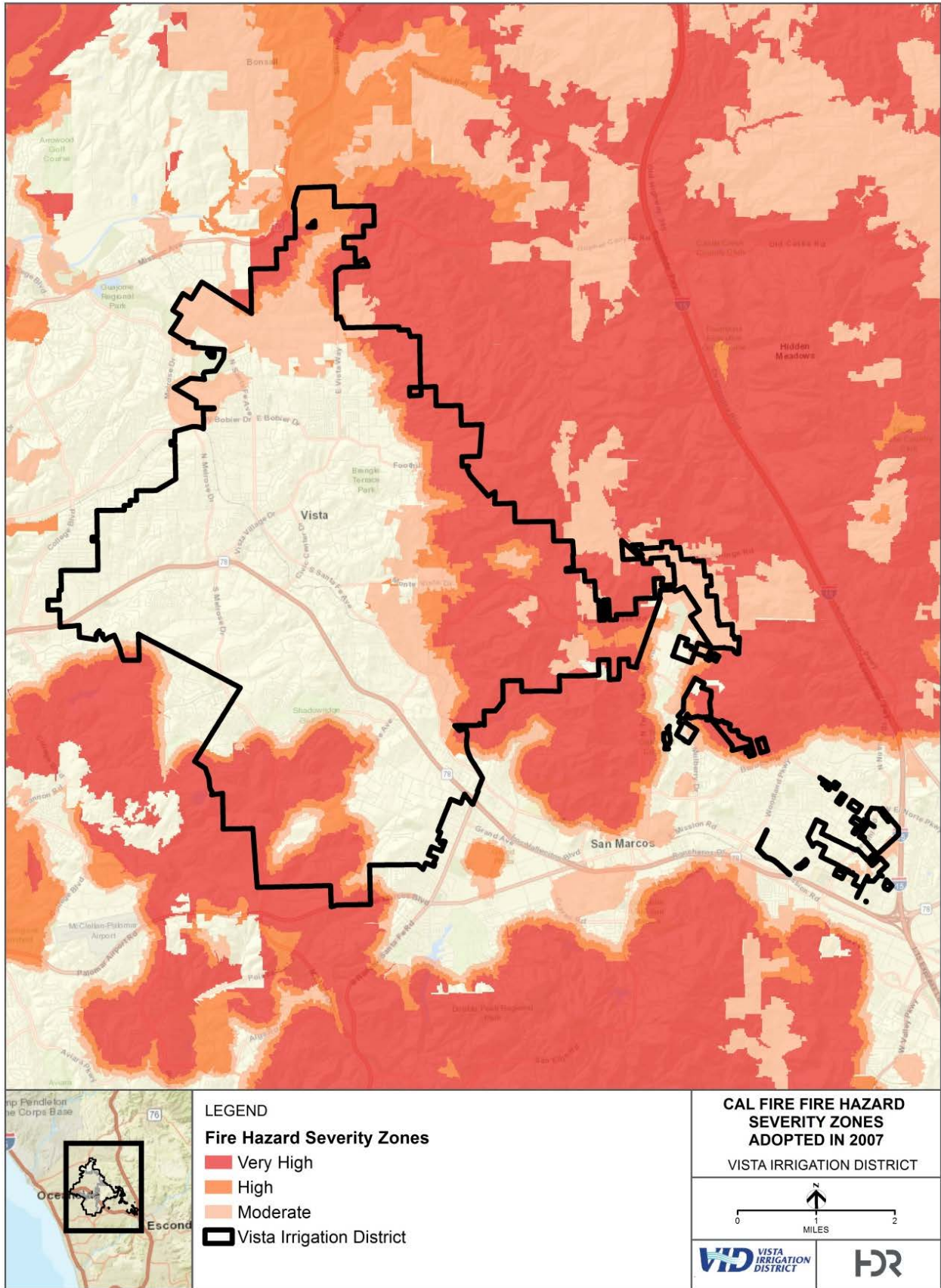


Figure 2-7. Fire Hazard Severity Zones



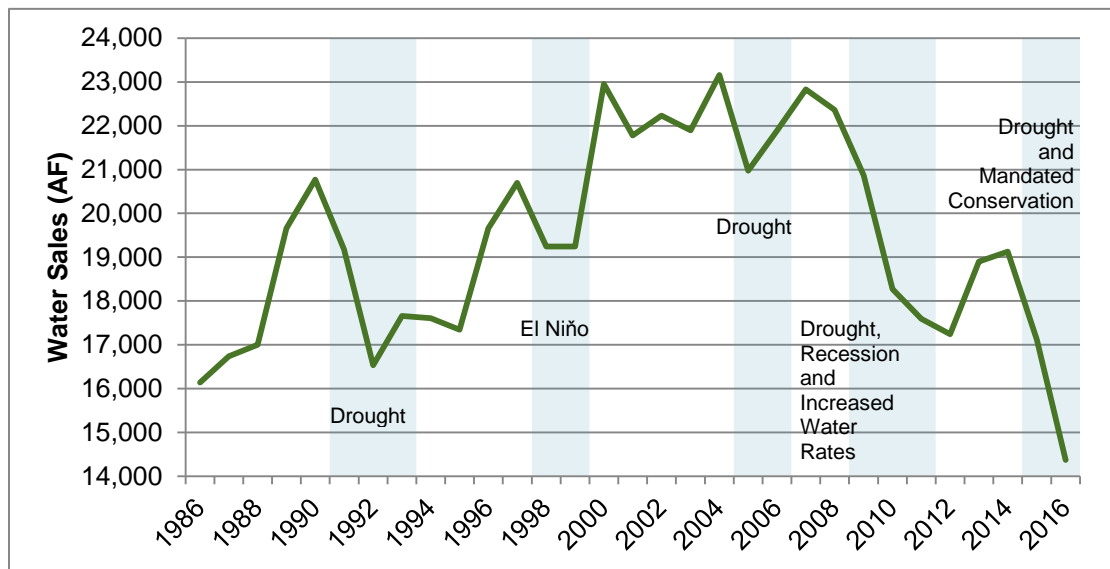
3 Water Demands

This chapter describes the basis for estimating current water demands, evaluates daily demand patterns and peaking factors and projects future water demands. This data will be used to evaluate potential capacity deficiencies in the existing system and the need for improvements to accommodate future water demands.

3.1 Historical Water Use

Figure 3-1 shows the District’s historical water sales on a FY basis dating back to 1986. In FY 1991 water demands decreased from over 20,000 AF to just over 17,700 AF in FY 1992. This decrease was attributable to a number of factors, including lingering drought impacts and the implementation of aggressive water conservation measures. Since that time, water demands remained relatively constant through 2006, taking into consideration weather, water supply conditions and population growth.

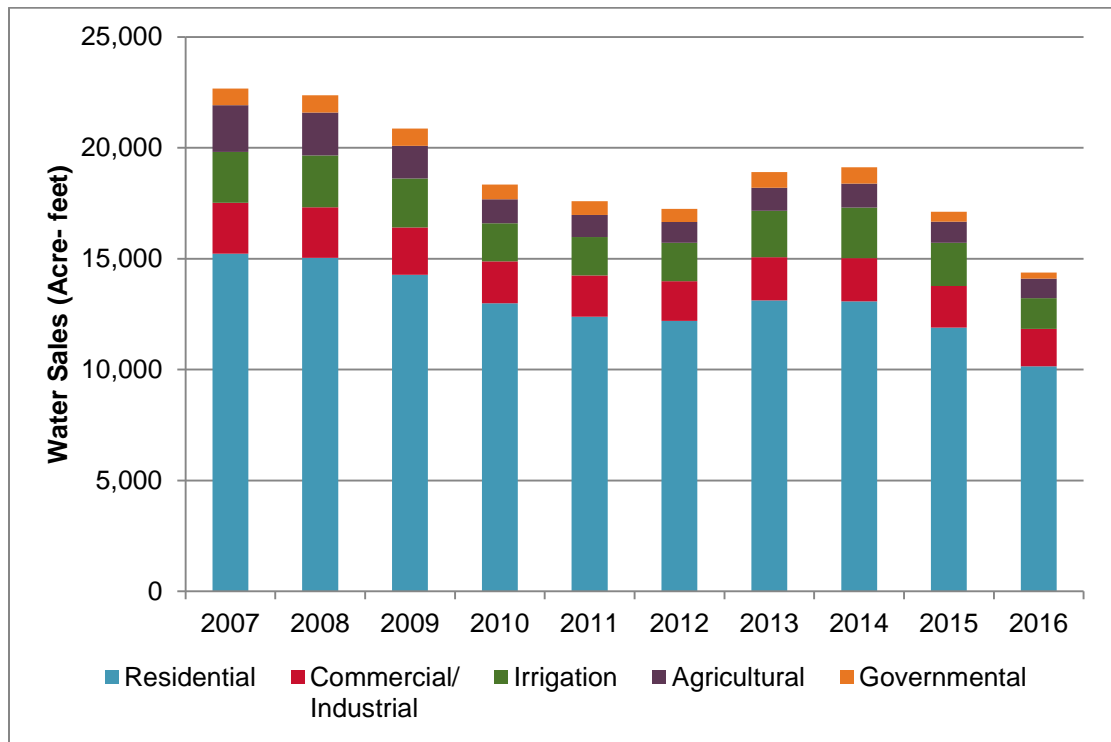
Figure 3-1. Historical Water Sales, Fiscal Year 1986 - 2016



Source: 2015 Urban Water Management Plan (UWMP)

Regional drought began gripping the American Southwest in 2002, and North San Diego County has experienced below-average rainfall for most of the past decade. In addition, the region experienced an economic recession in the 2009 to 2011 period, essentially halting anticipated development and causing an increase in local unemployment, which in turn resulted in a decrease in water use. The region experienced record warm years in 2015 and 2016, which would typically result in water use increases. However, statewide mandatory conservation in response to statewide drought conditions contributed to a significant decrease in water use during those years. Detailed water sales for the past 10 years are shown in **Figure 3-2**.

Figure 3-2. Detailed Water Sales, Fiscal Year 2007-2016



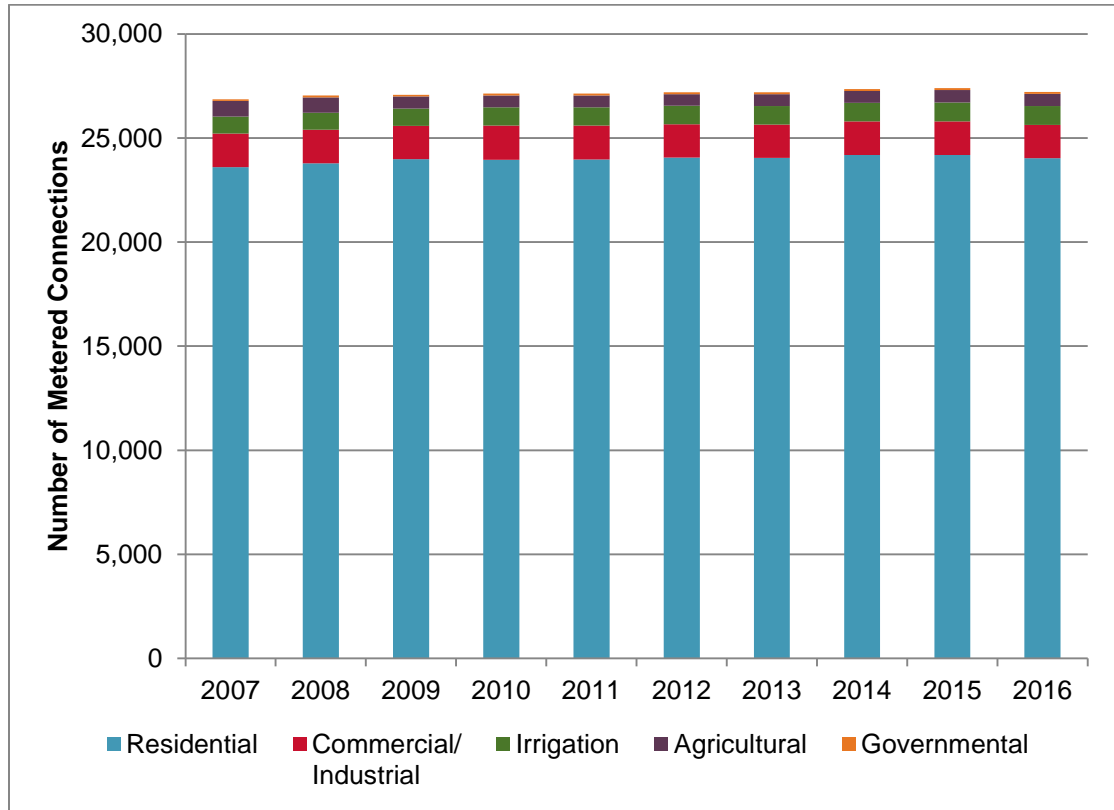
Source: 2016 Audited Comprehensive Annual Financial Report (CAFR)

Note that over the past 10 years, the District’s Tier 1 Domestic Water charge has doubled (increasing from \$1.98 per hundred cubic feet in 2007 to \$4.04 per hundred cubic feet in 2016). Although this rate increase is less than other agencies in the region, it is likely to also have contributed to the decrease in water use within the District. Irvine Ranch Water District estimated a 10 percent reduction in water use by single family residences due to rate changes associated with a new tiered rate structure, similar to what the District instituted in September 2009. As local unemployment rates doubled in 2009 through 2012 (from 5 percent to over 11 percent), it is evident that the combination of the economic recession and changes in the water rate structure significantly impacted water use during this time period.

Although water sales have changed over the years due to economic recession, rate structure changes and drought conditions, the total number of metered connections has stayed relatively the same over the past 10 years, as shown in **Figure 3-3**.



Figure 3-3. Historical Metered Connections



Source: 2016 Audited Comprehensive Annual Financial Report (CAFR)

All agencies experience some water loss as an ordinary part of operation. Water loss is “unaccounted for” water which can include leaks, line breaks, unmetered uses, meter inaccuracies, fire flow or theft. **Table 3-1** illustrates the occurrence of District water loss over the past 5 years. Water loss is calculated by subtracting average annual demand (AAD) based on District billing data from the District’s metered water supply data.

The District’s 2015 Urban Water Management Plan (UWMP) estimated non-revenue (unmetered plus metered unbilled) water to be 836 AF and water loss to be 606 AF for July 2014 through July 2015, using the American Water Works Association Water Audit worksheet. Unavoidable Annual Real Losses were estimated to be 729 acre feet per year (AFY). This compares with 716 AFY in FY 2015, as calculated from the District’s 2016 Audited CAFR data in **Table 3-1**.

Table 3-1. Water Loss Estimates

Fiscal Year	Annual Supply (AFY)	Annual Demand (AFY)	Difference (AFY)	Calculated Water Supply Loss (%)
2011	17,916	17,590	326	1.8
2012	18,901	17,241	1,660	8.8
2013	19,481	18,904	577	3
2014	20,134	19,128	1,006	5
2015	17,833	17,117	716	4

Source: 2016 Audited Comprehensive Annual Financial Report (CAFR)
AFY – acre feet per year

3.2 Unit Demands

Average annual unit water demands are developed for specific land use types or water billing account types to project future water usage. The amount of water required by a given land use can vary widely, so for planning purposes the District’s unit demand factors are developed based on existing water use specific to customers within the District. Because the type, location, and number of water customers change with time, typically the most recent 5 years of billing data are used for unit demand calculations. Ideally, as the basis of planning for future demand conditions, unit demands should represent current District demands independent of any short term trends. With this in mind, the District’s water use history was taken into consideration in determining the basis for determining current unit demands.

As discussed in **Section 3.1**, several factors affected District water use in the decade from 2007 through 2016. Increased water rates were adopted in 2007 that may have contributed to decreased demands through the decade. The economic recession from 2009 through 2011, with some recovery from 2012 through 2014, followed by mandatory water conservation requirements in 2015 through 2016, greatly impacted water use trends. Although 2016 is the most recent calendar year with complete billing data, water demands during this period do not represent typical water use within the District for future planning purposes.

For this Master Plan, water demands from calendar year 2014 (17.29 million gallons per day [MGD]) were determined to be a reasonable baseline. Demands in 2014 appear to represent current District demands affected by the long term trend due to increased water charges, adoption of water efficient appliances and voluntary water conservation efforts, but independent of the short term factors of economic cycles and mandatory water use restrictions due to drought.

Existing land use data is based on the SANDAG Series 13 Regional Growth Forecast published in 2013, and the City of Vista Downtown Specific Plan, dated 2015, and summarized in **Table 2-1**. Unit demands were calculated for each land use type based on 2014 billing data for meters spatially located within each land use category for the District's entire service area (including the Boot and Bennett areas). To account for water loss in the unit demands, an estimated District-wide water loss of 4 percent was distributed proportionately among all the land use groups.

For reference, **Table 3-2** compares the calculated 2014 unit demand factors with the factors from the 2000 Master Plan (note that there are land use categories that currently exist that were not listed in the 2000 Master Plan.) Most of the unit factors have decreased since the 2000 Master Plan. All non-residential unit demands have decreased, with public services, education, and parks showing significant decreases. Single family residential unit demands slightly increased, and rural residential and multi-family residential unit demands decreased. Mixed use developments (blended residential and non-residential) have increased significantly.

For planning purposes, calculated unit demand factors are typically rounded up to a particular magnitude so as to be more user-friendly and slightly conservative. For this Master Plan, the raw unit factors calculated based on 2014 billing data were rounded up to the nearest 50 value. The resulting 2017 Master Plan unit water demand factors are used to project future water demands, as described in **Section 3.4**.

Table 3-2. AAD Unit Water Demand Factors

SANDAG Group Code ¹	Land Use Group	AAD Unit Water Demand Factors (gpd/Acre)		
		Calculated from 2014 Demands ²	2000 Master Plan	2017 Master Plan ³
10 __	Rural Residential	411	650	450
11 __	Single Family Residential	1,081	1,020	1,100
12 __	Multi-Family Residential	3,635	4,100	3,650
13 __	Mobile Home Park	1,202	-	1,250
14 __	Other Group Quarters Facility	2,237	-	2,250
15 __	Hotel/Motel (Low-Rise)	3,127	-	3,150
21 __	Industrial	1,009	2,020	1,050
41 __	Utilities	225	0-200	250
50 __	Commercial	1,425	2,020	1,450
60 __	Office	1,274	2,020	1,300
61 __	Public Services	569	2,020	600
65 __	Health Care	1,865	-	1,900
68 __	Education	840	2,020	850
72 __	Golf Course	109	-	150
76 __	Park	483	1150-1250	500
80 __	Agriculture	445	-	450
97 __	Mixed Use	3,386	2,020	3,400

¹ Source: San Diego Association of Governments (SANDAG) Series 13 Current Land Use shapefiles

² Source: Vista Irrigation District (District) Water Billing Account History 2014 adjusted for 4% Water Loss based on San Diego County Water Authority (Water Authority) and Filter Plant Supply Data

³ Based on Existing Area acres (**Table 2-1**) and 2014 average annual demand (AAD) values for District service area rounded up to nearest 50 value

3.3 Peaking Factors

The water demands discussed in the previous sections are based on average annual water consumption. Actual water demand patterns, however, vary daily, hourly and seasonally. Flow variations are commonly expressed in terms of peaking factors, which are multipliers used to express the magnitude of variation from the AAD. The peaking factors that are most important in the development and the analysis of a water system correspond to the maximum day use and peak hour use. Peaking factors within the distribution system will typically decrease as the total system demand increases. Therefore peaking factors for the entire system may be less than the peaking factors for individual pressure zones.

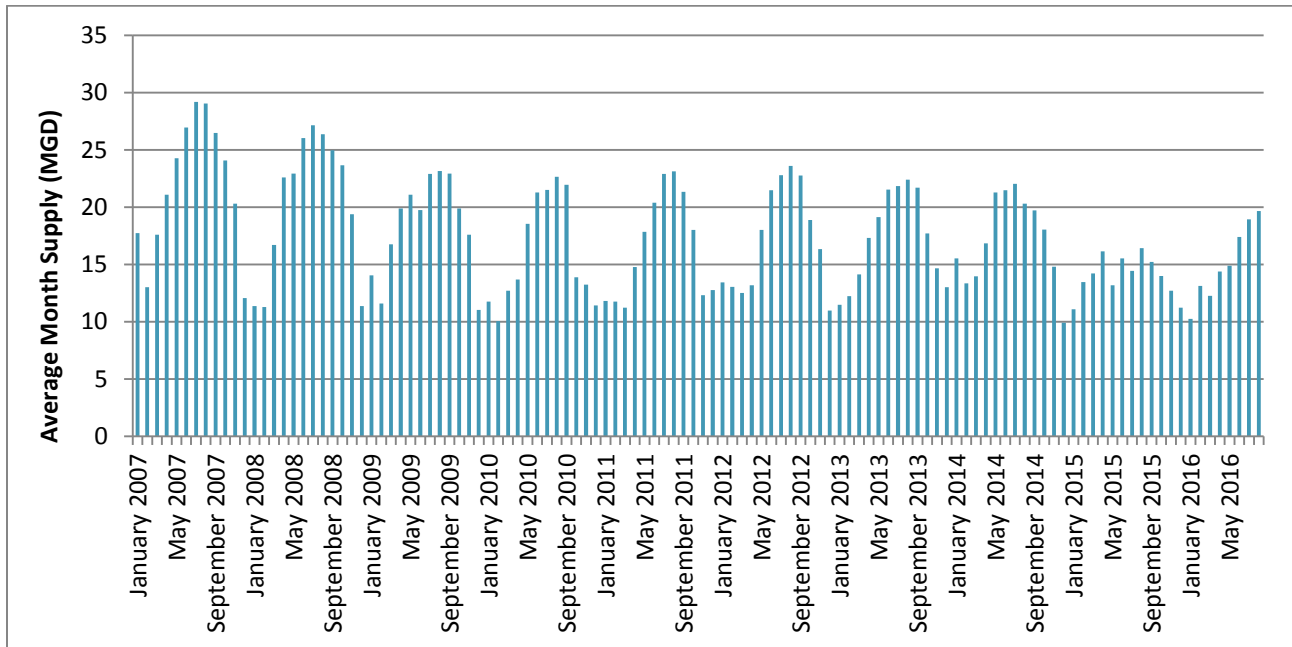
Water consumption varies throughout a 24-hour period creating diurnal patterns. These patterns typically vary from weekdays to weekend days. These patterns can also vary within individual pressure zones based on land use factors. For instance, in an area that is primarily industrial or commercial, the diurnal pattern will vary from a predominantly residential area. Peak hourly demands and diurnal curve patterns for the overall District are included in this chapter. Diurnal patterns for individual pressure zones are discussed in **Chapter 6**.

3.3.1 Maximum and Minimum Day Peaking Factors

Water demands vary seasonally and daily. Seasonal variations arise primarily from seasonal differences in weather conditions and resulting irrigation needs, with water demands higher in the summer months and lower in the winter months. Likewise, day-to-day variations arise primarily from weather conditions, with maximum demand days typically occurring during hot Santa Ana wind days in late summer and early fall, and minimum demand days occurring on rainy days in the wintertime.

Figure 3-4 displays monthly potable water deliveries for 2007 through mid 2016 in MGD, and illustrates these seasonal fluctuations. Historically, the single day with the maximum water use typically occurs during a dry, hot day between July and September when outdoor use for irrigation is peaked. The minimum day has historically occurred in January or February, during rainy periods when irrigation is not needed.

Figure 3-4. Average Month Supply



Source: Actual End of Month Deliveries Reported by CWA / Filter Plant, 2007 - 2016

However, over the past decade these maximum and minimum patterns have shifted. The current data, shown in **Table 3-3**, indicates water use can peak earlier than August (as early as March) at levels from 150 percent to 180 percent of the annual average, and typically reaches a low in December at levels from 40 to 50 percent of the annual average.

Table 3-3. Historical Peaking Factors

Year	Average Day Supply (MGD)	Maximum Day Supply (MGD)	Maximum Day Date	Maximum Day Peaking Factor	Minimum Day Supply (MGD)	Minimum Day Date	Minimum Day Peaking Factor
2007	21.87	34.05	July 27, 2007	1.56	7.37	December 4, 2007	0.34
2008	20.33	34.16	August 26, 2008	1.68	8.34	January 12, 2008	0.41
2009	18.42	30.64	August 27, 2009	1.66	7.33	January 1, 2009	0.40
2010	16.09	27.43	September 28, 2010	1.70	6.23	December 22, 2010	0.39
2011	16.55	26.40	July 9, 2011	1.59	6.77	January 12, 2011	0.41
2012	17.26	27.98	August 6, 2012	1.62	6.77	December 18, 2012	0.39
2013	17.29	25.90	June 28, 2013	1.50	8.00	December 7, 2013	0.46
2014	17.29	31.79	May 14, 2014	1.84	7.97	December 21, 2014	0.46
2015	13.97	19.77	March 14, 2015	1.42	7.36	December 23, 2015	0.53

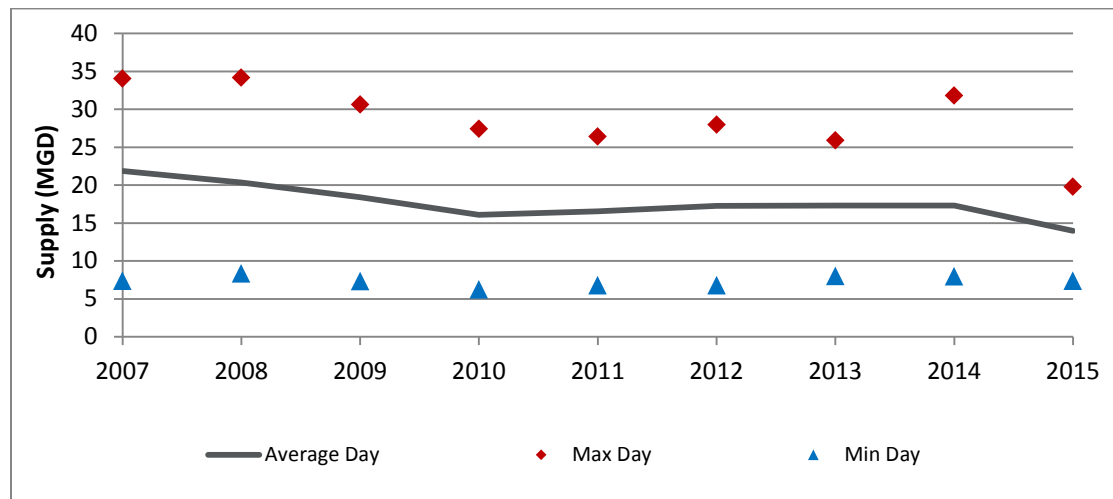
Source: Actual End of Month Deliveries Reported by CWA / Filter Plant, 2007 – 2016.

Note Max Day Supply includes non-demand contributions to storage and interagency flow exchanges.

MGD - million gallons per day

Figure 3-5 graphically presents the data provided in **Table 3-3**, illustrating the declining trend of the District’s average day supply over the past 10 years, the consistency of the annual minimum day supply and the variability of the annual maximum day supply.

Figure 3-5. Historical Average, Maximum and Minimum Day Water Supply



The 2000 Master Plan used a 2.0 peaking factor for maximum day demands (MDD) as a conservative projection for planning purposes. As is evident in **Table 3-3**, there has been a downward trend in both water use and peaking factors, with peaking factors ranging from 1.42 to 1.84. This is likely a result of successful outdoor water conservation programs reducing demands during summer months.

As previously discussed, data from 2014 appears to provide a reasonable baseline for future planning purposes. The maximum day peaking factor in 2014 was 1.84. As this peaking factor is relatively close to the 2000 Master Plan criteria of 2.0, to be consistent and conservative, a maximum day peaking factor of 2.0 and a minimum day factor of 0.5 is recommended for future planning purposes.

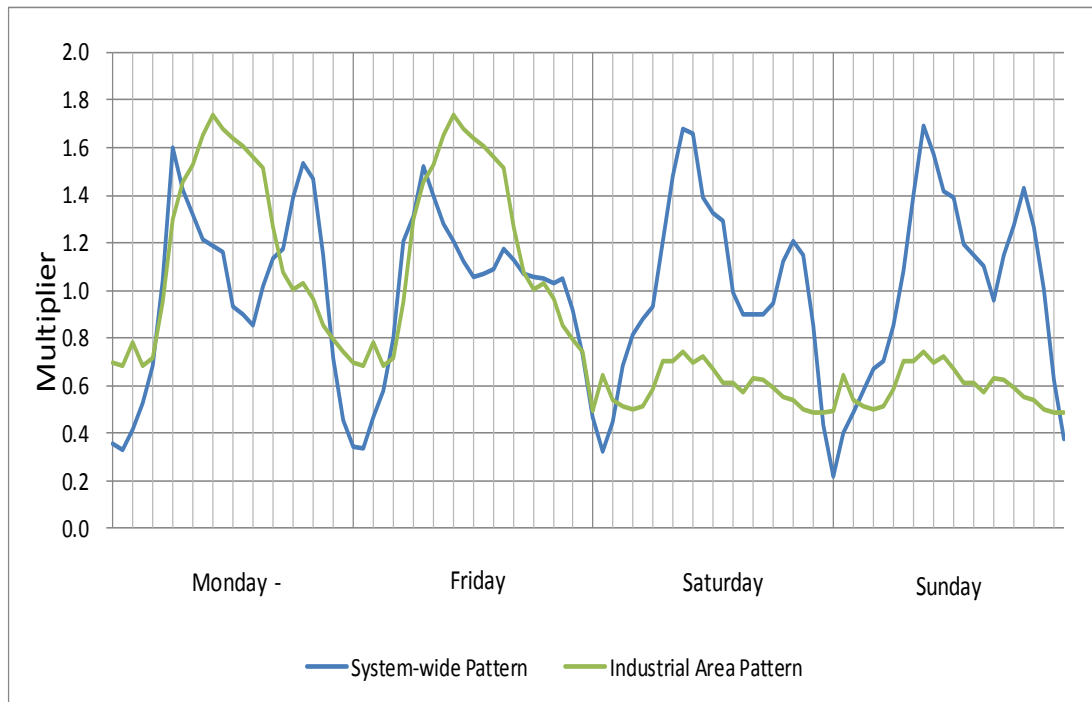
3.3.2 Diurnal Patterns

In operating the District's water distribution system, daily water consumption patterns govern the pumping and storage requirements needed to maintain water supply to District customers. The time of day diurnal demand curve is a series of 24 hourly demand factors that define how water usage varies over the course of a day. This demand pattern is used in the hydraulic model to calculate hourly demands, peak flows and operational storage needs.

Based on supervisory control and data acquisition (SCADA) data for 2016, diurnal patterns were developed for system wide demands and industrial demands. The multiplier of 1.0 on the vertical axis represents the current day's total demand. The horizontal scale is divided into 2 hour increments, covering a 24-hour day. The curves, displayed in **Figure 3-6**, illustrate the variation in water use over the course of the day, relative to the total day's demand.



Figure 3-6. District-wide Diurnal Curve



Note that the weekday patterns for Monday through Thursday are fairly uniform, with peak usage in the early morning and dinner time. The afternoon and evening patterns on Friday differ greatly from the other weekdays, with little or no variation from noon to 8 p.m. The weekends have higher peak hour usage in the mornings and smaller evening peak uses in the evenings than typical weekday patterns. These curves vary slightly on a seasonal basis. The curves shown represent winter months, with little outdoor water use. In summer months, during maximum days when more water is being used in the evenings or early morning hours for irrigation, the diurnal curve peaks are slightly smaller. For this Master Plan, the diurnal patterns shown in **Figure 3-6** were used.

3.4 Projected Water Demands

District population forecasts in 5-year increments through 2040 were reported in the District’s 2015 UWMP and illustrated in **Figure 2-3**. Based on projections presented, the population in the District’s service area is expected to increase approximately 24 percent from 2015 to 2040, for an average of just less than 1 percent annually.

Assuming that water use demographics in the future remain similar to the 2014 baseline (17.29 MGD) and future water demand would correspond proportionately with population growth, a 24 percent increase in water demand in 2040 would result in a total water demand projection of 21.44 MGD. Alternatively, applying 125 gallons per capita per day, which the 2015 UWMP estimates is the current usage, the anticipated additional water demand would be 3.87 MGD, which would result in a similar projected demand of 21.16 (3.87 MGD over the baseline demand of 17.29 MGD).

However, more detailed methods for projecting future water demand are available and are presented in the following sections. It should be noted that no projection is assured of accuracy in an environment where changing economic and climate conditions and growth rates influence water consumption. Demand projections in this master plan assume that future unit demand water consumption will be similar to the 2014 baseline.

3.4.1 Land Use Based Projections

Land use based future average day demand projections are based on the land use data discussed in **Chapter 2**, including SANDAG Series 13 Regional Growth Forecast and the Vista Downtown Specific Plan, and the unit water demand factors shown in **Table 3-2**.

Two approaches were considered. Demand projections using each of these methods for the District's entire service area are shown in **Table 3-4**.

In one approach, the new unit demand factors were applied to all parcels within the District's service area, using the buildout land use category. This results in a projected demand of 20.3 MGD for planned land use.

In the second approach, we considered that existing land use may have a higher demand now than if the property was redeveloped under the buildout land use category. For instance, there is approximately 5 acres of commercial property that is designated as Golf Course under buildout conditions. The commercial property uses quite a bit more than the golf course might. Demands for each parcel were calculated based on both current and planned land use type using the unit water demand factors. To be conservative, the larger of the two calculated values was used as the projected future demand. The resulting demand projection for the District's entire service area using this maximum land use methodology totals 20.9 MGD. This includes 0.3 MGD and 0.6 MGD for the Boot and Bennett areas, respectively.

By comparison, these projections are approximately 25 percent less than the 2000 Master Plan, which projected an ultimate demand of 30,500 AFY or 27.2 MGD. This decrease is likely due to the District's water conservation efforts over the past 16 years, a significant reduction in non residential unit demands and reductions in densities for ultimate buildout associated with more recent land use planning documents.

Table 3-4. Projected Water Demands

SANDAG Group Code	Planned Land Use Group	Unit Factor (gpd/Acre) ¹	Buildout Area (Acres) ²	Projected Demand based on Planned Land Use (gpd) ³	Projected Demand based on Maximum Land Use (gpd) ⁴
10 __	Rural Residential	450	5,060	2,277,000	2,776,100
11 __	Single Family Residential	1,100	8,335	9,168,900	9,176,500
12 __	Multi-Family Residential	3,650	859	3,136,800	3,136,800
13 __	Mobile Home Park	1,250	281	351,200	351,200
14 __	Other Group Quarters Facility	2,250	135	304,200	304,200
15 __	Hotel/Motel (Low-Rise)	3,150	11	34,300	34,300
21 __	Industrial	1,050	1,166	1,224,700	1,226,100
41 __	Utilities	250	2,448	611,900	614,900
50 __	Commercial	1,450	564	817,600	844,100
60 __	Office	1,300	120	156,400	161,000
61 __	Public Services	600	248	148,600	148,600
65 __	Health Care	1,900	44	84,500	84,500
68 __	Education	850	338	286,900	287,000
72 __	Golf Course	150	174	26,100	33,600
76 __	Park	500	1,019	509,400	514,600
80 __	Agriculture	450	14	6,400	6,400
97 __	Mixed Use	3,400	341	1,160,600	1,167,600
Total		N/A	21,157	20,305,000	20,867,500

¹ Per **Table 3-2**

² Source: San Diego Association of Governments (SANDAG) Series 13 Planned Land Use shapefiles, including Boot and Bennett areas; Note Area is rounded to nearest whole acre.

³ Based on application of unit factors to actual acres per planned land use type for the entire service area.

⁴ Based on application of unit factors to actual acres per maximum land use type for the entire service area.

gpd – gallons per day

3.4.2 Urban Water Management Plan Projections

The District's 2015 UWMP projected water demands are consistent with SANDAG's Series 13 Regional Growth Forecast for future population and projected per capita water demands, as developed by the Water Authority. The normal year projections are based on the Water Authority's statistical evaluation of relevant data such as climate, rainfall/run-off, population growth, water demands, and the relationship between household income and response to the price of water, per the Water Authority's UWMP. The District estimated that hot-dry weather years (absent mandatory water use restrictions) may generate 10 percent greater demands than during normal years, and this percentage was utilized to calculate single-dry and multiple-dry year demands. Both normal and dry year projections are shown in **Table 3-5**.

Both passive and active conservation measures were considered in the 2015 UWMP. Based on DWR's 2015 Plan Guidebook, the Water Authority developed estimated water savings for each of its member agencies, including the District, using the Alliance for Water Efficiency Water Conservation Tracking Tool. Passive conservation savings are based on appliance standards, plumbing code changes, and conversion of active savings to passive as the useful life of devices are reached. Estimated savings from the 2015 Model Water Efficient Landscape Ordinance are included in this category. Compliance from new residential development was set at 80 percent, and a majority of this savings was assumed to continue over the Plan's 2040 planning horizon. Additionally, passive conservation includes savings from landscape conversions at existing single family homes.

Future active conservation was set at the 2015 level of participation in program offerings and estimated savings for each year over the planning horizon. Active conservation includes activities, such as indoor and outdoor incentives, landscape classes, and irrigation checkups. The District incorporated estimated water savings shown in **Table 3-5** in its 2015 UWMP projected future demands for planning purposes. Under these varying conditions the District's projected demands in 2040 range from 19.75 MGD to 23.72 MGD.

Table 3-5. UWMP Demand Projections

Water Demand (MGD)						
Year	2015	2020	2025	2030	2035	2040
2015 UWMP	15.92	17.63	19.04	20.20	20.82	21.56
2015 UWMP Under Single and Multi Dry Year Conditions	NA	19.39	20.94	22.22	22.90	23.72
Estimated Water Conservation Savings	NA	(2.77)	(3.38)	(3.51)	(3.74)	(3.97)
2015 UWMP with Dry Year Conditions and Conservation Savings	NA	16.62	17.56	18.72	19.16	19.75

MGD – million gallons per day; UWMP - Urban Water Management Plan

3.4.3 Potential Demand Projection Variables

As illustrated in the section above, climate conditions and water conservation measures, as well as economic conditions, are likely to be the key drivers for future variations in actual water demand and consumption. An assessment of these potential variables and their impact on water demand was conducted to create a planning envelope, defining High and Low water demand projections to bracket the Baseline or Medium water demand projection.

In the sections above, water demand projections for the 2040 planning horizon were estimated using both future population and land use projections.

- Based on SANDAG population growth projections and a 125 gallons per capita per day demand factor (21.16 MGD)
- Based on planned ultimate land use and unit demand factors (20.30 MGD)
- Based on maximum land use and unit demand factors (20.87 MGD)
- Based on 2015 UWMP normal year projections (21.56 MGD)
- Based on 2015 UWMP dry year projections (23.72 MGD)
- Based on 2015 UWMP dry year conditions plus water conservation savings (19.75 MGD)

These estimates are represented by the dotted lines in **Figure 3-6**. All but the population growth projection use the 15.92 MGD baseline that was assumed in the District's 2015 UWMP.

In **Table 3-6**, three planning variables were considered and factors associated with low, medium and high projections were developed to evaluate additional scenarios to the projections listed above. For the baseline variable, dry year conditions and potential rebound from recent drought conditions were considered. For the economic growth variable, plus and minus 10 percent of maximum land use projections were considered. For water conservation savings, achievement of 100, 50 and 25 percent of the UWMP estimates were considered. The results are shown in **Table 3-6** and displayed as the solid line projections in **Figure 3-7**.

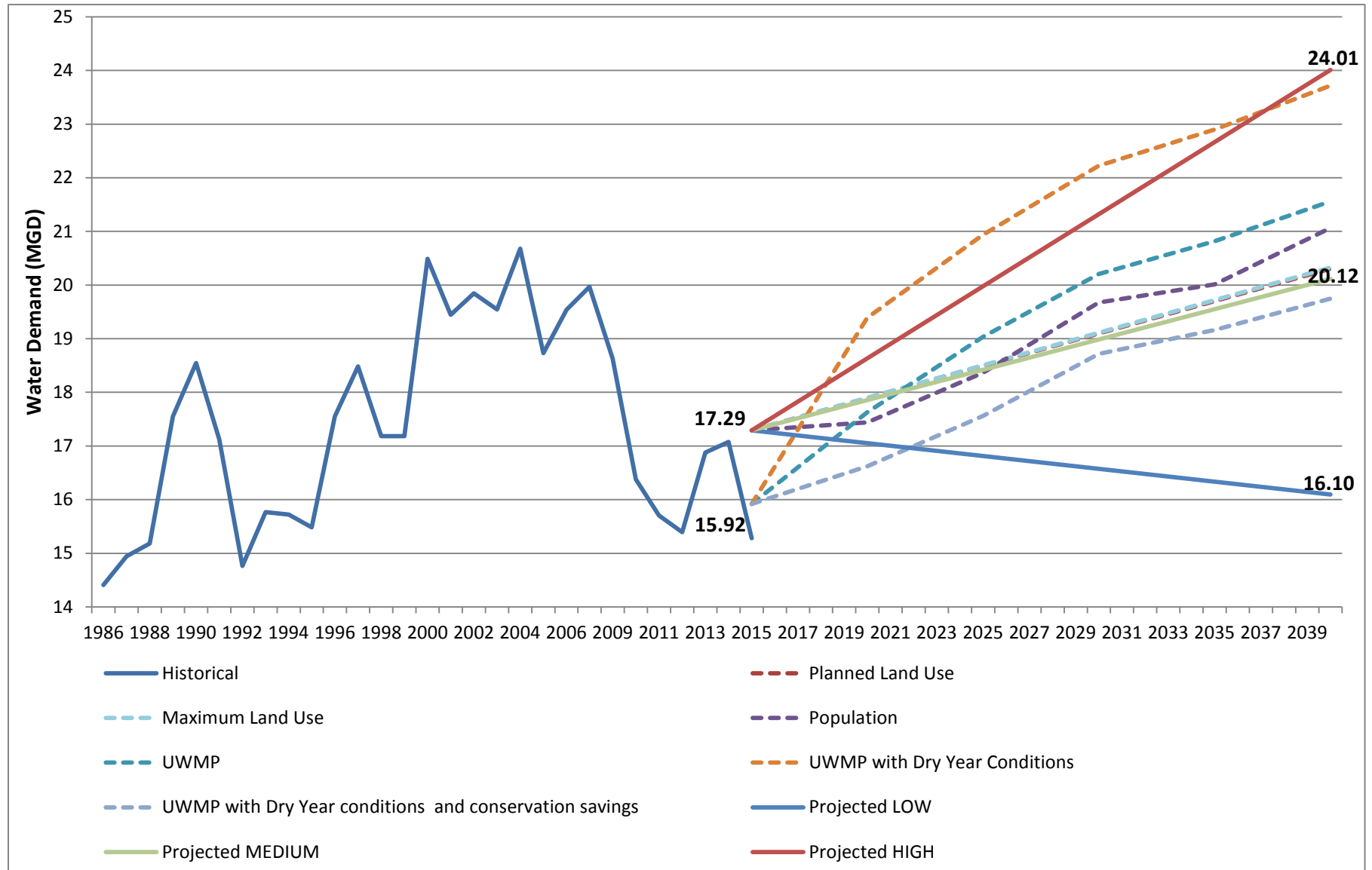
The medium water demand projection of 20.12 MGD aligns well with the land use based projections and the 2015 UWMP Dry Year conditions with conservation savings. The high and low projections are 20 percent above and below, respectively, of the medium projection. Given the wide swing in demand over the past 10 years it is challenging to look backward for a trend. For planning purposes, using the medium projection appears a reasonable approach and should be reassessed in 5 years to track and respond to any significant variance.

Table 3-6. Planning Variables for Water Demand Projections in 2040

Planning Variable	Low Projection		Medium Projection		High Projection	
Baseline (2014)	2014 Baseline Demand	17.29 MGD	Baseline with 10% Increase under Dry Year Conditions	19.02 MGD	Baseline with 25% Increase due to Dry Year Conditions and Rebound to Pre-2007 Demands	21.60 MGD
Economic Growth	10% Decrease in Medium Projection	2.77 MGD	Anticipated Increase based on Maximum Land Use Projections	3.08 MGD	10% Increase in Median Projection	3.39 MGD
Water Conservation Savings	UWMP's Estimate for Active Conservation Savings of 3.97 MGD by 2040	3.97 MGD	Achievement of 50% of UWMP Estimate	1.98 MGD	Achievement of 25% of UWMP Estimate	0.99 MGD
	Total	16.10 MGD		20.12 MGD		24.01 MGD

MGD – million gallons per day; UWMP - Urban Water Management Plan

Figure 3-7. Water Demand Projections

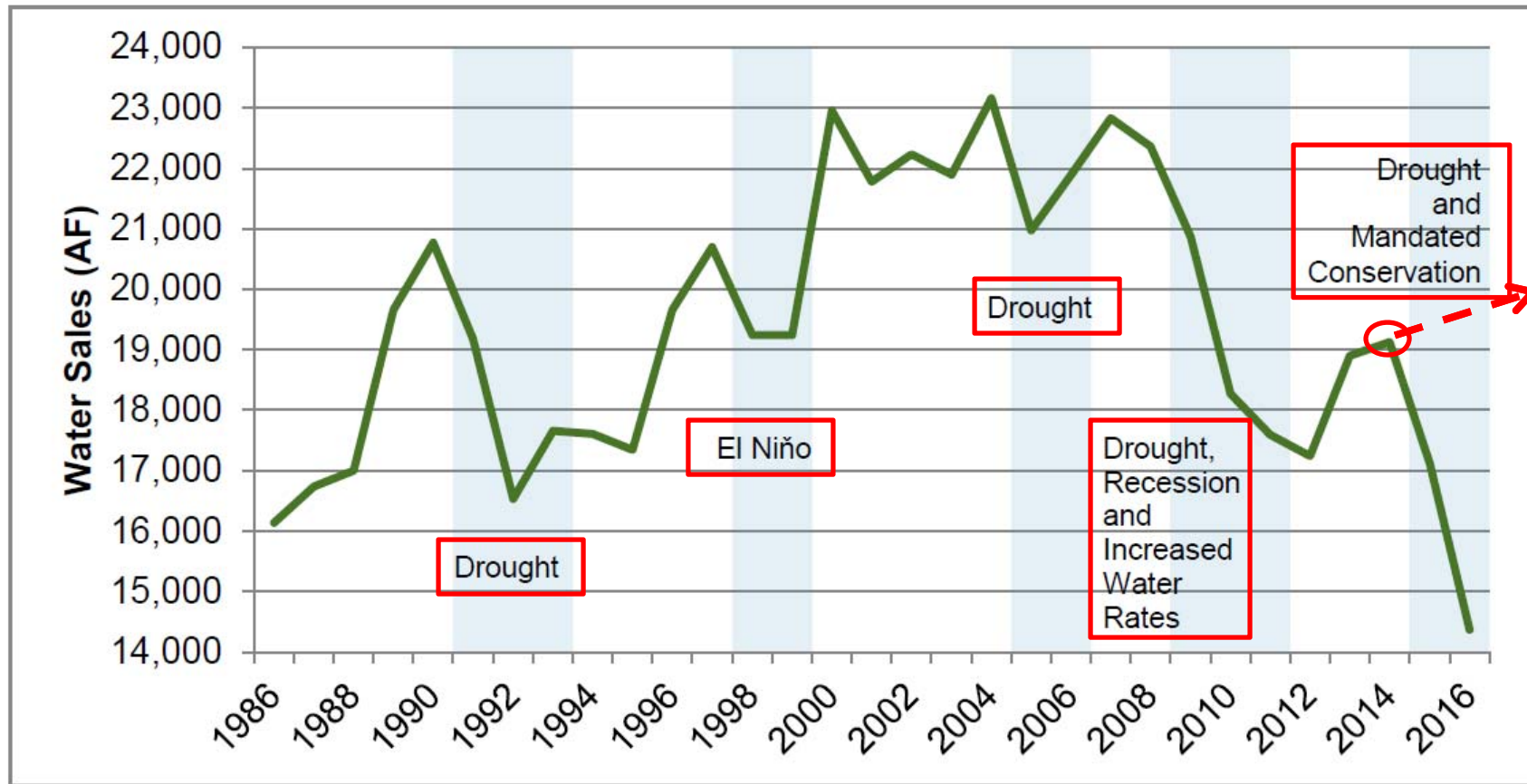


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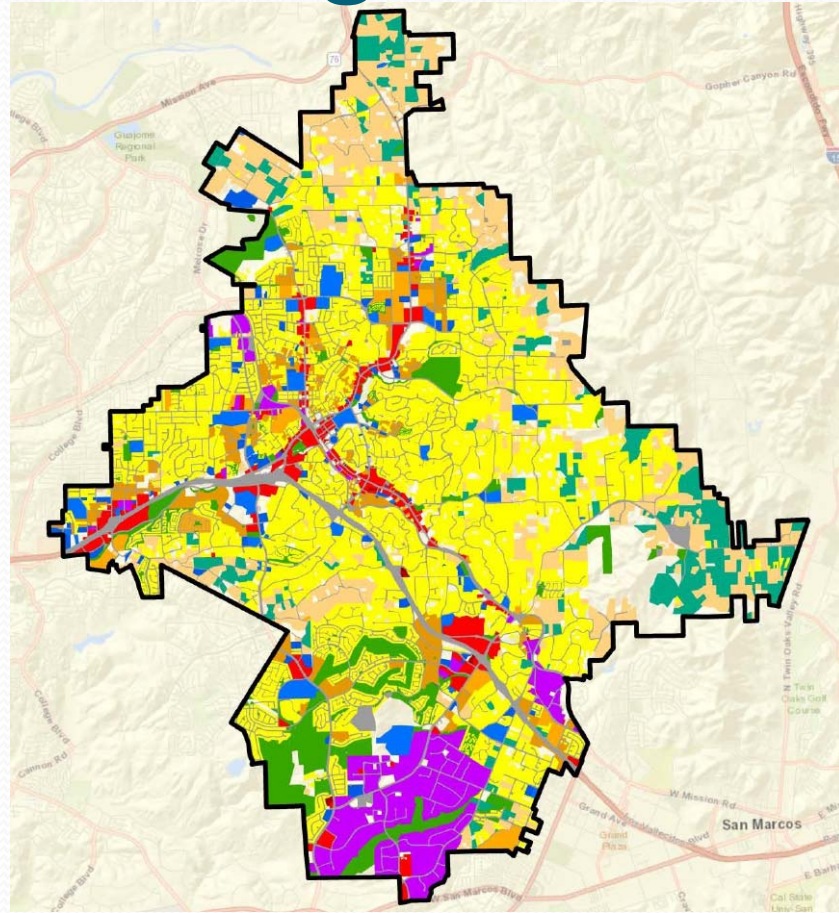
Water Master Plan Update

Historical Water Use and Demand Projection

Historical Water Use



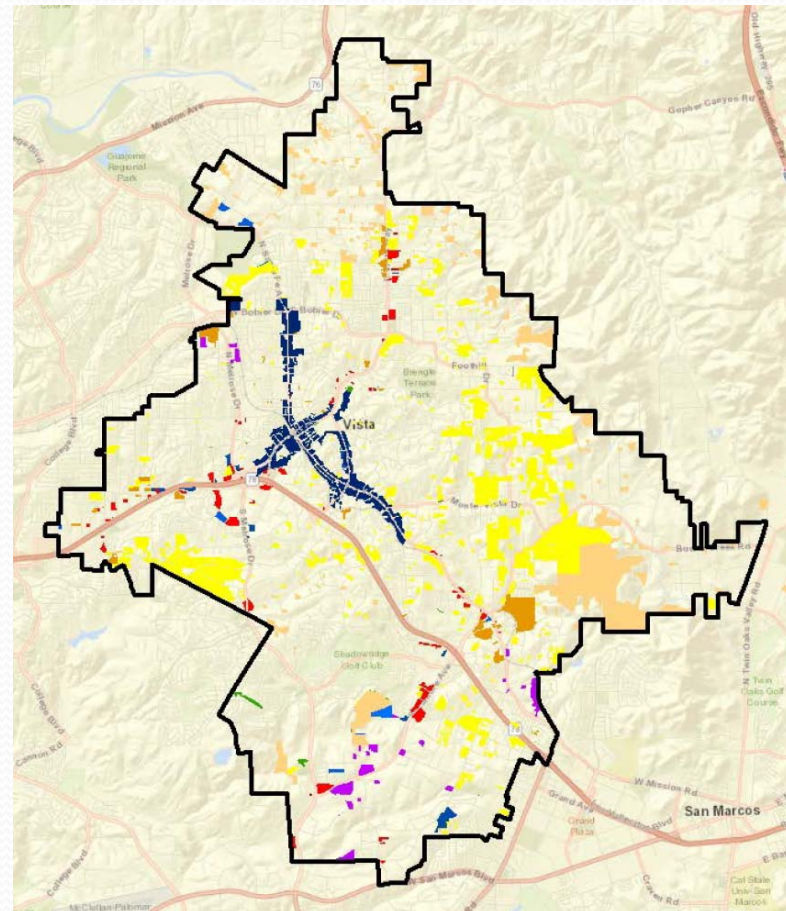
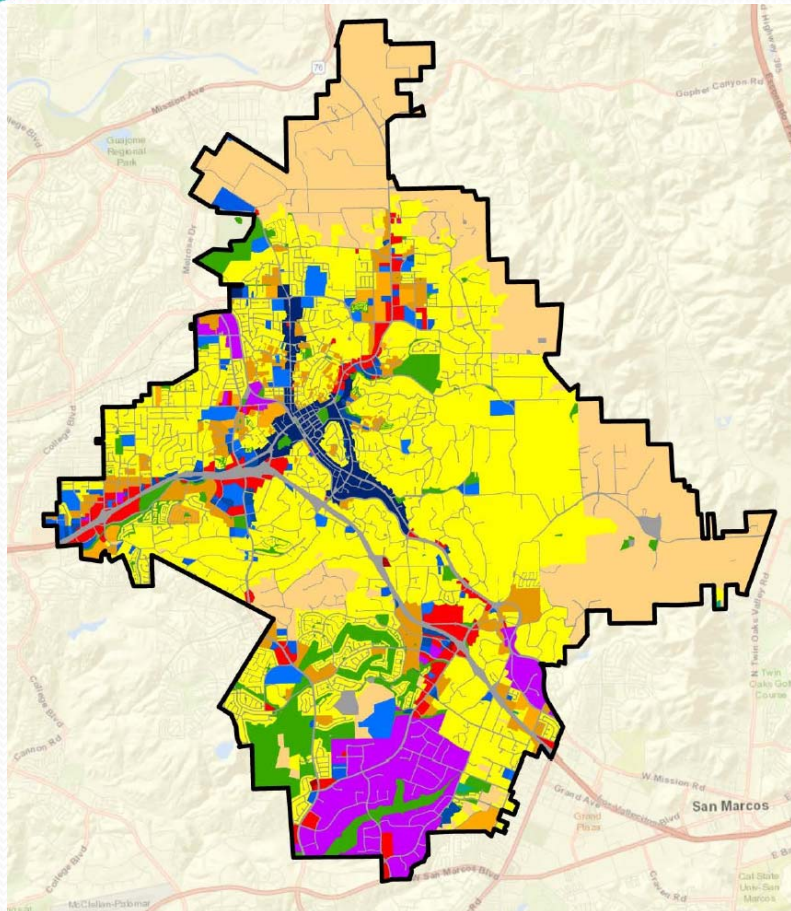
Existing Land Use



Unit Demand Factors

SANDAG Group Code ¹	Land Use Group	AAD Unit Water Demand Factors (gpd/Acre)		
		Calculated from 2014 Demands ²	2000 Master Plan	2017 Master Plan ³
10	Rural Residential	411	650	450
11 __	Single Family Residential	1,081	1,020	1,100
12 __	Multi-Family Residential	3,635	4,100	3,650
13 __	Mobile Home Park	1,202	-	1,250
14 __	Other Group Quarters Facility	2,237	-	2,250
15 __	Hotel/Motel (Low-Rise)	3,127	-	3,150
21 __	Industrial	1,009	2,020	1,050
41 __	Utilities	225	0-200	250
50 __	Commercial	1,425	2,020	1,450
60 __	Office	1,274	2,020	1,300
61 __	Public Services	569	2,020	600
65 __	Health Care	1,865	-	1,900
68 __	Education	840	2,020	850
72 __	Golf Course	109	-	150
76 __	Park	483	1150-1250	500
80 __	Agriculture	445	-	450
97 __	Mixed Use	3,386	2,020	3,400

Planned Land Use



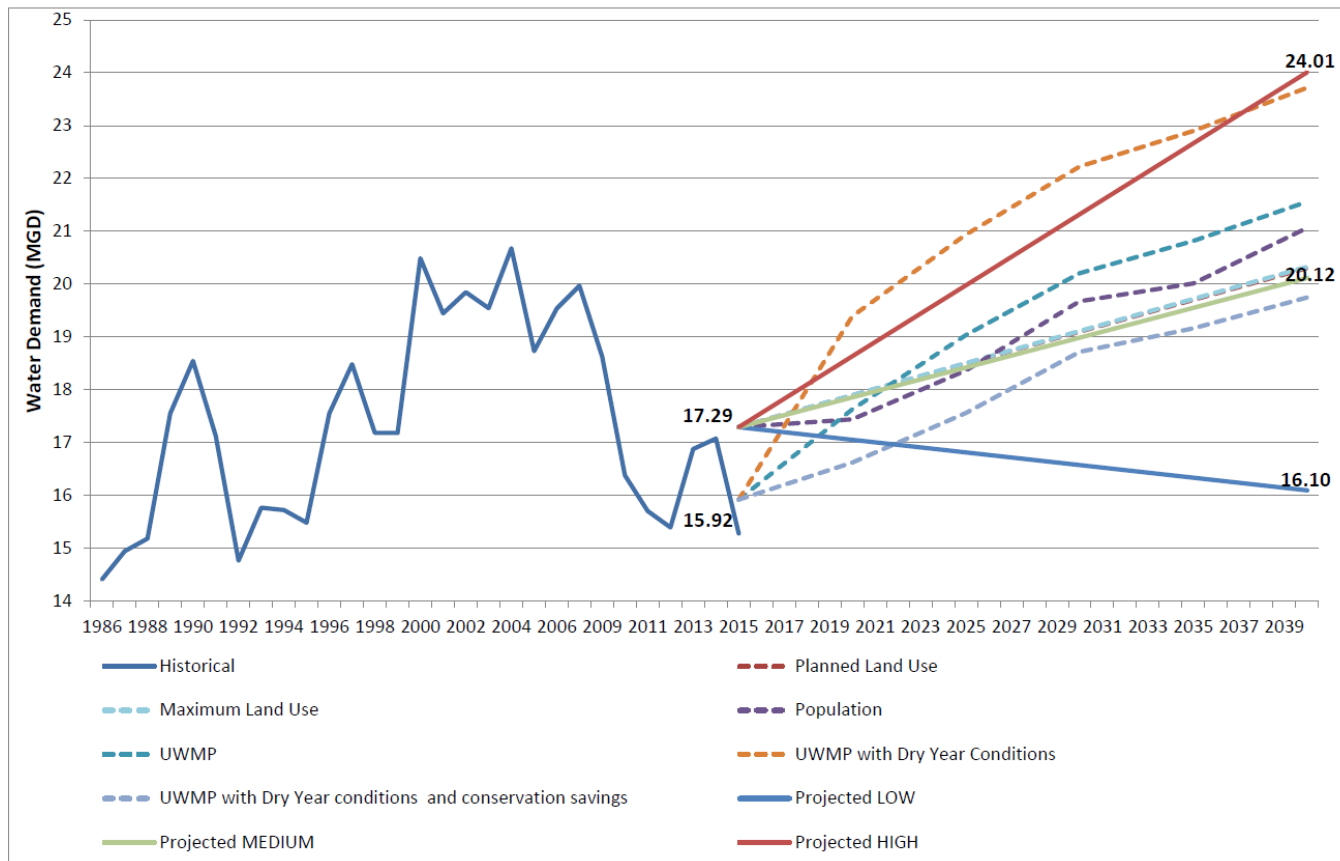
Projected Demands

SANDAG Group Code	Planned Land Use Group	Unit Factor (gpd/Acre) ¹	Buildout Area (Acres) ²	Projected Demand based on Planned Land Use (gpd) ³	Projected Demand based on Maximum Land Use (gpd) ⁴
10 __	Rural Residential	450	5,060	2,277,000	2,776,100
11 __	Single Family Residential	1,100	8,335	9,168,900	9,176,500
12 __	Multi-Family Residential	3,650	859	3,136,800	3,136,800
13 __	Mobile Home Park	1,250	281	351,200	351,200
14 __	Other Group Quarters Facility	2,250	135	304,200	304,200
15 __	Hotel/Motel (Low-Rise)	3,150	11	34,300	34,300
21 __	Industrial	1,050	1,166	1,224,700	1,226,100
41 __	Utilities	250	2,448	611,900	614,900
50 __	Commercial	1,450	564	817,600	844,100
60 __	Office	1,300	120	156,400	161,000
61 __	Public Services	600	248	148,600	148,600
65 __	Health Care	1,900	44	84,500	84,500
68 __	Education	850	338	286,900	287,000
72 __	Golf Course	150	174	26,100	33,600
76 __	Park	500	1,019	509,400	514,600
80 __	Agriculture	450	14	6,400	6,400
97 __	Mixed Use	3,400	341	1,160,600	1,167,600
	Total	N/A	21,157	20,305,000	20,867,500

Demand Projection Variables

Planning Variable	Low Projection		Medium Projection		High Projection	
	Baseline (2014)	2014 Baseline Demand	17.29 MGD	Baseline with 10% Increase under Dry Year Conditions	19.02 MGD	Baseline with 25% Increase due to Dry Year Conditions and Rebound to Pre-2007 Demands
Economic Growth	10% Decrease in Medium Projection	2.77 MGD	Anticipated Increase based on Maximum Land Use Projections	3.08 MGD	10% Increase in Median Projection	3.39 MGD
Water Conservation Savings	UWMP's Estimate for Active Conservation Savings of 3.97 MGD by 2040	3.97 MGD	Achievement of 50% of UWMP Estimate	1.98 MGD	Achievement of 25% of UWMP Estimate	0.99 MGD
	Total	16.10 MGD		20.12 MGD		24.01 MGD

Demand Projection Comparison





STAFF REPORT

Agenda Item: 11

Board Meeting Date: January 3, 2018
Prepared By: Randy Whitmann
Reviewed By: Brian Smith
Approved By: Eldon Boone

SUBJECT: DISTRICT HEADQUARTERS COURTYARD IMPROVEMENTS

RECOMMENDATION: Approve the District headquarters courtyard improvements; determine that the project is exempt from the provisions of the California Environmental Quality Act and direct staff to file the Notice of Exemption with the County Clerk; and authorize staff and the General Manager to solicit bids from qualified licensed shade sail contractors (LN 2017-024).

PRIOR BOARD ACTION: None.

FISCAL IMPACT: A landscape architect has provided preliminary design concepts for \$12,000. The estimated construction cost for the project is between \$50,000 and \$85,000.

SUMMARY: The interior courtyard area of the headquarters building was intended to be a focal point for employees and District functions. The courtyard area consists of a large decomposed granite (DG) section (originally lawn), a concrete patio area and a number of smaller landscape areas. The patio is located adjacent to the main lunch/breakroom and has never been utilized as intended due to the intense brightness generated from both the white wall coloring and the lack of shade. With the assistance of a landscape architect, staff has identified several improvements to the courtyard area that could be made to make the space more usable.

DETAILED REPORT: District staff consulted a landscape architect for ideas to revamp the landscaping, reduce the overall brightness and make the area more functional. The architect developed an overall concept for the entire courtyard including three patio shade structure alternatives. Installation of “shade sails” was determined to be the least expensive and best approach to providing shade to the patio area (see attached concept drawing). The architect also recommended painting the courtyard walls with a darker color.

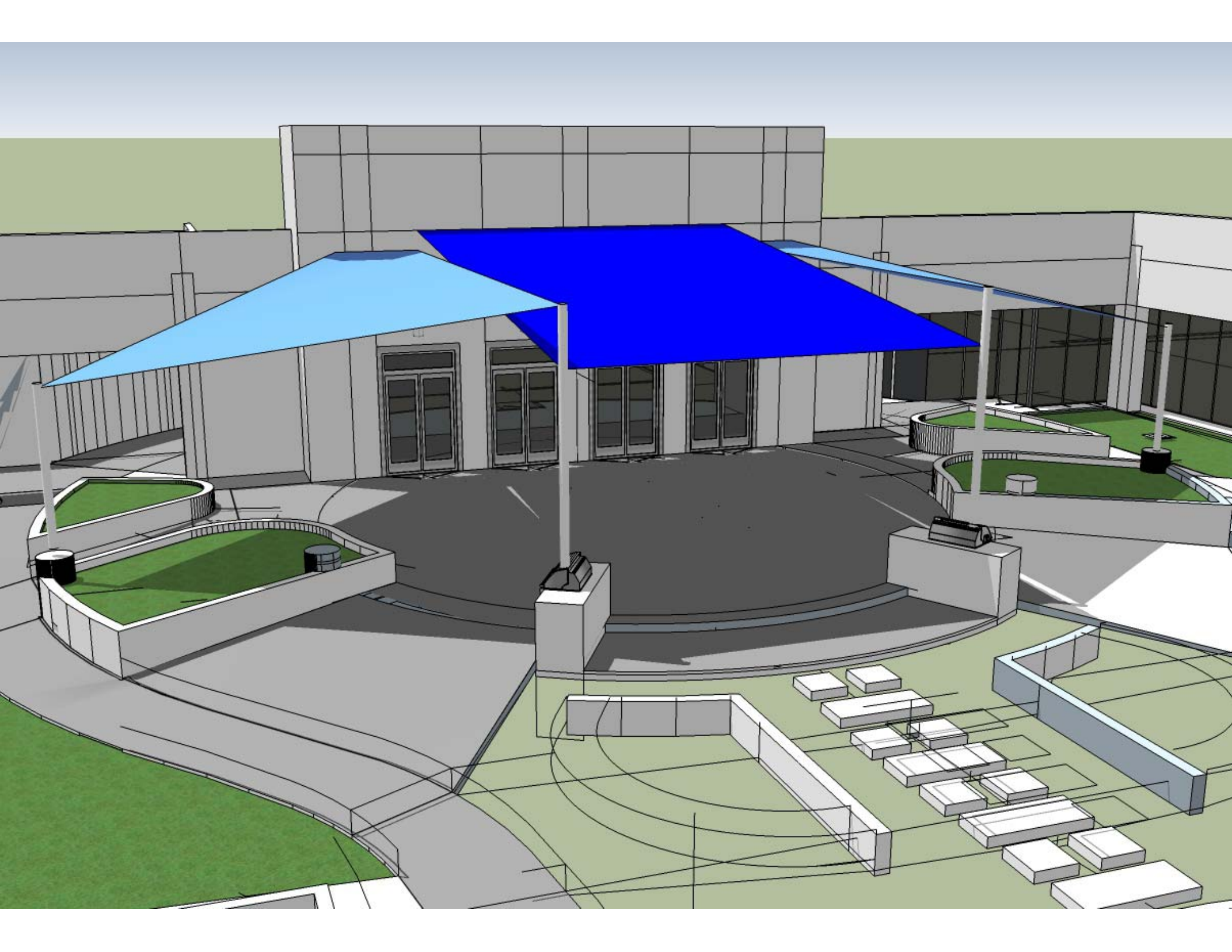
Staff is proposing a phased approach to improving the courtyard area as follows:

1. Paint the courtyard walls a darker color as part of the Facilities Department upcoming building paint project (painting contractor).
2. Remove the existing patio planter bed and tree and replace the area with concrete (District forces).
3. Install patio shade sails (design-build contractor).
4. Assess need to change the DG area after shade sail installation (e.g., add shade trees and pavers).
5. Replace landscaping as-needed (on-going through landscape maintenance contract).

Following Board approval, staff will prepare a scope of work and solicit bids from contractors that provide design and construction services for installation of shade sails. Actual installation of shade sails will follow painting of the courtyard walls and removal of the planter box.

Staff has conducted a Preliminary Environmental Assessment and concluded that the Courtyard Project qualifies for a Class 1 categorical exemption from the California Environmental Quality Act (CEQA) as established in Article 19, Section 15301 (Existing Facilities) of the CEQA Guidelines. This exemption consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination.

ATTACHMENT: Concept Drawing





STAFF REPORT

Agenda Item: 12

Board Meeting Date:	January 3, 2018
Prepared By:	Lisa Soto
Reviewed By:	Brett Hodgkiss
Approved By:	Eldon Boone

SUBJECT: DISTRICT COMMITTEES AND REPRESENTATIVES TO OUTSIDE ORGANIZATIONS

RECOMMENDATION: Review and ratify committee and outside organization appointments for 2018.

PRIOR BOARD ACTION: At its December 6, 2017 meeting, the Board elected Paul Dorey as President Jo MacKenzie as First Vice President and Richard Vasquez, Patrick Sanchez and Marty Miller to serve as Vice Presidents for 2018. Eldon Boone was reappointed as Treasurer with Marlene Kelleher and Brett Hodgkiss as Assistant Treasurers. Lisa Soto was reappointed as Board Secretary with Marian Schmidt and Eldon Boone as Assistant Secretaries.

FISCAL IMPACT: Undetermined amount of expenses and per diem.

DETAILED REPORT: For reference, the following list of the District's committee and outside organization assignments for 2017 has been provided pending President Dorey's committee appointments for 2018.

ATTACHMENT: 2017 Committee and Outside Organization Appointments

STANDING COMMITTEES FOR 2017:

Water Sustainability

Vásquez, Chair; and Sanchez

Programs related to water conservation and maintenance of current water sources. Development by VID and/or our supplier(s) of new sources such as desal, brackish water, and recycled water. Does not include Lake Henshaw and the Warner Ranch.

Fiscal Policy

Miller, Chair; and Dorey

District budget and finances, including rates.

Warner Ranch

Dorey, Chair; and MacKenzie

Contracts, leases, historical assets, environmental issues, long-range planning, and relations with neighboring property owners.

Public Affairs

Vásquez, Chair; and Dorey

Public outreach on water conservation and legislation, and public education on major water issues.

OUTSIDE ORGANIZATIONS FOR 2017

San Luis Rey Watershed Council

Dorey; Alternate-Jessica Sherwood

A partnership of local landowners, agricultural growers, Native American bands, community and environmental organizations, government agencies and special districts with ties to this watershed. The Council's primary goal is to develop and implement a comprehensive resource management plan for the San Luis Rey River and its tributaries.

ACWA/JPIA

Dorey; Alternate-Eldon Boone

The insurance pool formed by ACWA member agencies; VID obtains liability, property and workers compensation insurance through ACWA/JPIA.

Southern California Water Committee

Dorey; Alternate-Vásquez

A nonprofit, nonpartisan, public education partnership dedicated to informing Southern Californians about our water needs and our state's water resources; a cooperative effort of business, government, water agencies, agriculture, and public interests.

Groundwater Resources Association

Dorey; Alternate-Vásquez

Dedicated to resources management that protects and improves groundwater through education and technical leadership.

2017-DRAFT 2018 COMMITTEE APPOINTMENTS

2018 District Officers

President	Paul Dorey
First Vice President	Jo MacKenzie
Vice Presidents	Richard Vásquez, Patrick Sanchez, and Marty Miller
Treasurer	Eldon Boone
Assistant Treasurers	Brett Hodgkiss and Marlene Kelleher
Board Secretary	Lisa Soto
Assistant Secretaries	Marian Schmidt and Eldon Boone

Standing Committees

Water Sustainability:	Vasquez, Chair; and Sanchez
Fiscal Policy:	Miller Dorey, Chair; and Paul Dorey MacKenzie
Warner Ranch:	Dorey MacKenzie, Chair; and MacKenzie -Miller
Public Affairs:	Vásquez Sanchez, Chair; and Dorey Vasquez
Groundwater	Dorey, Chair, and MacKenzie

Outside Organizations

San Luis Rey Watershed Council:	Dorey; Jessica Sherwood (alternate)
ACWA-JPIA:	Dorey; Boone (alternate)
Southern California Water Committee:	Dorey; Vasquez (alternate)
Groundwater Resources Association:	Dorey; Vásquez (alternate)

Outside Organization Representatives

Dorey	ACWA Groundwater Committee
Dorey	ACWA/JPIA Liability Committee
Dorey	SCWC Colorado River Advisory Task Force
Dorey	San Luis Rey Watershed Council, Board member
MacKenzie	ACWA Local Government Committee
MacKenzie	CSDA Board of Directors, Past President
MacKenzie	CSDA Finance Corporation, President
MacKenzie	CSDA Legislative Committee
MacKenzie	CSDA Member Services Committee
MacKenzie	CSDA, San Diego Chapter, Board of Directors
MacKenzie	LAFCO Regular Special Districts Member, Vice Chair
MacKenzie	Special District Leadership Foundation Board of Directors, Treasurer
Miller	San Diego County Water Authority (CWA), Board of Directors
Miller	CWA Engineering and Operations Committee, Vice Chair
Miller	CWA Imported Water Committee
Miller	CWA Hydropower/Pumped Storage Task Force
Vásquez	ACWA Region 10 Board
Vásquez	ACWA Water Quality Committee
John Carter	ACWA Legal Affairs Committee (<i>through the auspices of VID</i>)
Joel Kuperberg	ACWA Legal Affairs Committee (<i>through the auspices of another agency</i>)
Joel Kuperberg	CSDA Expert Feedback Teams: Environmental Compliance, Public Contracting, and Legal (<i>through the auspices of VID</i>)



Agenda Item: 13

STAFF REPORT

Board Meeting Date: January 3, 2018
Prepared By: Eldon Boone

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.



San Diego County Water Authority

**SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING
DECEMBER 7, 2017**

- 9-1. Adopt Updated Water-Use Efficiency Policy Principles and Program Focus Areas.
The Board approved the updated Water-Use Efficiency Policy Principles as presented in Attachment 2, including an additional edit made by the Board, to guide staff in evaluating and implementing water-use efficiency initiatives; and, approved the following as the core focus areas for the Water Authority's portfolio of water-use efficiency programs: 1) Residential Surveys and Landscape Audits, 2) K-12 Education Programs, 3) MWD Device-Based Programs, 4) How-to Resource Tools, and, 5) Grants and Partnerships.
- 9-2. Water Conservation Garden Operation Agreement.
The Board approved a new, five-year Operation Agreement between the Water Conservation Garden Authority and Friends of the Water Conservation Garden (IRS 501(c)(3)) for the continued operation and maintenance of the Water Conservation Garden through June 30, 2023.
- 9-3. Proposed 2018 Legislative Policy Guidelines.
The Board adopted the proposed 2018 Legislative Policy Guidelines.
- 9-4. Water Authority Sponsorship of Legislation in the 2018 State Legislative Session.
The Board approved Legislative Proposal #1 to advance consensus landscape water use efficiency recommendations developed by the DWR Independent Technical Panel; Legislative Proposal #2 to improve IRWM grant award cashflow for nonprofit organizations and disadvantaged communities; and, Legislative Proposal #3 to develop a workable governance and administrative structure for implementation of the 10-year Salton Sea Management Program.
- 9-5. San Vicente Energy Storage Facility Project Actions.
The Board authorized the General Manager to: a) enter into Project Delivery Agreement negotiations with Tenaska, Inc. - Diamond Generating Corporation Joint Venture; b) to enter into Project Delivery Agreement negotiations with Brookfield US Generation LLC if negotiations with Tenaska, Inc. - Diamond Generating Corporation Joint Venture are unsuccessful; and, c) to execute Amendment 1 to the legal services contract with Allen Matkins LLP for a period of seven months, in the amount of \$350,000, increasing the authorized cumulative contract amount from \$50,000 to \$400,000.
- 9-6. Contracts with Adams Valves, Inc. and Cascade Consultants LLC to purchase butterfly valves.
The Board authorized the General Manager to: a) award a contract to Adams Valves, Inc. in the amount of \$734,342 to purchase 56 stainless steel metal seated triple offset flanged butterfly valves of various sizes between 4 and 24 inches in diameter in support of capital improvement projects and system maintenance; and, b) award a contract to Cascade Consultants LLC in the amount of \$745,481 to purchase 10 cast steel metal seated triple



offset fusion bonded epoxy lined and coated butterfly valves of various sizes between 30 and 66 inches in diameter in support of capital improvement projects.

- 9-7. 2017 Transfer and Exchange Agreement decision.
The Board authorized the General Manager to provide written notice by December 31, 2017, to the Metropolitan Water District of Southern California (MWD) to extend the term of the Amended and Restated Agreement between MWD and the San Diego County Water Authority for the Exchange of Water (exchange agreement) from 35 to 45 years (2037 to 2047).
- 9-8. Monthly Treasurer's Report on Investments and Cash Flow.
The Board noted and filed monthly Treasurer's Report.
- 9-9. Adopt the Vote Entitlements Resolution for Calendar Year 2018.
The Board adopted Resolution No. 2017-20 establishing the vote and representative entitlements of each member agency effective January 1, 2018.
- 9-10. Adopt Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for Calendar Year 2018.
The Board adopted the Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for Calendar Year 2018 and approved the amendment to Chandler Asset Management to implement the updated Water Authority Investment Strategy.
- 9-11. Anticipated Litigation.
The Board approved direction to engage counsel and initiate an action, and the action, the defendants, and the other particulars shall, once formally commenced, be disclosed to any person upon inquiry, unless to do so would jeopardize the agency's ability to effectuate service of process on one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage.
- 9-12. Audit Committee Annual Report.
The Board accepted and filed the Audit Committee Annual Report pursuant to the Administrative Code, Section 2.00.066 and the Comprehensive Annual Financial Report (CAFR) for Fiscal Year ended June 30, 2017.



**SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING
DECEMBER 7, 2017**

- 9-1. Adopt Updated Water-Use Efficiency Policy Principles and Program Focus Areas.
The Board approved the updated Water-Use Efficiency Policy Principles as presented in Attachment 2, including an additional edit made by the Board, to guide staff in evaluating and implementing water-use efficiency initiatives; and, approved the following as the core focus areas for the Water Authority's portfolio of water-use efficiency programs: 1) Residential Surveys and Landscape Audits, 2) K-12 Education Programs, 3) MWD Device-Based Programs, 4) How-to Resource Tools, and, 5) Grants and Partnerships.
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- 9-8. Monthly Treasurer's Report on Investments and Cash Flow.
The Board noted and filed monthly Treasurer's Report.
- 9-9. Adopt the Vote Entitlements Resolution for Calendar Year 2018.
The Board adopted Resolution No. 2017-20 establishing the vote and representative entitlements of each member agency effective January 1, 2018.
- 9-10. Adopt Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for Calendar Year 2018.
The Board adopted the Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for Calendar Year 2018 and approved the amendment to Chandler Asset Management to implement the updated Water Authority Investment Strategy.
- 9-11. Anticipated Litigation.
The Board approved direction to engage counsel and initiate an action, and the action, the defendants, and the other particulars shall, once formally commenced, be disclosed to any person upon inquiry, unless to do so would jeopardize the agency's ability to effectuate service of process on one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage.
- 9-12. Audit Committee Annual Report.
The Board accepted and filed the Audit Committee Annual Report pursuant to the Administrative Code, Section 2.00.066 and the Comprehensive Annual Financial Report (CAFR) for Fiscal Year ended June 30, 2017.



STAFF REPORT

Agenda Item: 14.A

Board Meeting Date: January 3, 2018
Prepared By: Lisa Soto
Approved By: Eldon Boone

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.



STAFF REPORT

Board Meeting Date: January 3, 2018
Prepared By: Marian Schmidt
Approved By: Eldon Boone

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	Sexual Harassment Prevention Training AB 1661 Jan. 8, 2018 – 9:00 a.m. – 12:00 p.m., VID Board Room <i>Reservation deadline: None</i>	Miller Dorey MacKenzie Vásquez Sanchez
2 *	Council of Water Utilities Meeting Jan. 16, 2018 – 7:15 a.m., Hotel Karlan San Diego <i>Reservation deadline: 1/10/18</i>	
3	Keeping Up With The Brown Act Webinar (CSDA) Jan. 16, 2018 – 10:00 a.m. – 12:00 p.m. <i>Registration deadline: 1/11/18</i>	
4	Colorado River Aqueduct System (SDCWA/MWD) Jan. 19-20, 2018 – Meet at SDCWA <i>Reservation deadline: First come, first serve</i>	
5	Required Harassment Prevention Training Webinar (CSDA) Jan. 23, 2018 – 10:00 a.m. – 12:00 p.m. <i>Registration deadline: 1/18/18</i>	
6	Proposition 26, Proposition 218, and Rate Setting (CSDA) Jan. 25, 2018 – 8:30 a.m. – 4:00 p.m. – Isla Vista <i>Registration deadline: 1/18/18</i>	
7	Hoover Dam & Colorado River Aqueduct System (SDCWA/MWD) Feb. 2-3, 2018 – Meet at SDCWA <i>Reservation deadline: First come, first serve</i>	Sanchez
8	Special District Leadership Academy (CSDA) Feb. 4-7, 2018 – Embassy Suites, La Quinta <i>Registration deadline: 1/5/18</i>	
9	Urban Water Institute’s Spring Water Conference Feb. 7-9, 2018 – Hilton Palm Springs Hotel <i>Registration deadline: 1/25/18</i>	
10	AB 1234 Ethics Compliance Training (CSDA) Feb. 15, 2018 – 9:00 a.m. – 1:00 p.m. – Vista Irrigation District <i>Registration deadline: 2/1/18</i>	
11 *	CSDA Quarterly Dinner Meeting Feb. 15, 2018 – 6:00-9:00 p.m. – The Butcher Shop Steakhouse, Kearny Mesa <i>Reservation deadline: 2/8/18</i>	
12 *	Council of Water Utilities Meeting Feb. 20, 2018 – 7:15 a.m., Hotel Karlan San Diego <i>Reservation deadline: 2/15/18</i>	
13	State Water Project/Bay Delta Project (SDCWA/MWD) Mar. 2-3, 2018 – Meet at SDCWA <i>Reservation unavailable at this time</i>	

	SCHEDULE OF UPCOMING MEETINGS AND EVENTS	ATTENDEES
14	Colorado River Aqueduct System (SDCWA/MWD) <i>Mar. 17-18, 2018 – Meet at SDCWA</i> <i>Reservation unavailable at this time</i>	
15 *	Council of Water Utilities Meeting <i>Mar. 20, 2018 – 7:15 a.m., Location TBD</i> <i>Reservation deadline: 3/15/18</i>	
16	California Water Policy Conference 27 <i>Mar. 22-23, 2018 – UC Davis Conference Center</i> <i>Registration deadline: None</i>	
17	Colorado River Aqueduct System (SDCWA/MWD) <i>Mar. 24-25, 2018 – Meet at SDCWA</i> <i>Reservation unavailable at this time</i>	
18	Special District Leadership Academy (CSDA) <i>Apr. 15-18, 2018 – Embassy Suites Monterey Bay – Seaside</i> <i>Registration deadline: 3/16/18</i>	
19 *	Council of Water Utilities Meeting <i>Apr. 17, 2018 – 7:15 a.m., Location TBD</i> <i>Reservation deadline: 4/12/18</i>	
20	ACWA Spring Conference <i>May 8-11, 2018 – Sacramento</i> <i>Registration deadline: TBD</i>	
21 *	Council of Water Utilities Meeting <i>May. 15, 2018 – 7:15 a.m., Location TBD</i> <i>Reservation deadline: 5/10/18</i>	
22 *	CSDA Quarterly Dinner Meeting <i>May. 17, 2018 – 6:00-9:00 p.m. – The Butcher Shop Steakhouse, Kearny Mesa</i> <i>Reservation deadline: 5/10/18</i>	
23	Special District Legislative Days (CSDA) <i>May 22-23, 2018 – Sacramento</i> <i>Registration deadline: TBD</i>	
24 *	Council of Water Utilities Meeting <i>June. 19, 2018 – 7:15 a.m., Location TBD</i> <i>Reservation deadline: 6/14/18</i>	
25	General Manager Leadership Summit (CSDA) <i>June 24-26, 2018 – Resort at Squaw Creek, Olympic Valley</i> <i>Registration deadline: 5/25/18</i>	
26	Special District Leadership Academy (CSDA) <i>July 8-11, 2018 – Embassy Suites Napa Valley, Napa</i> <i>Registration deadline: 6/8/18</i>	
27 *	Council of Water Utilities Meeting <i>July. 17, 2018 – 7:15 a.m., Location TBD</i> <i>Reservation deadline: 7/12/18</i>	
28 *	CSDA Quarterly Dinner Meeting <i>Aug. 16, 2018 – 6:00-9:00 p.m. – The Butcher Shop Steakhouse, Kearny Mesa</i> <i>Reservation deadline: 8/9/18</i>	
29 *	Council of Water Utilities Meeting <i>Aug. 21, 2018 – 7:15 a.m., Location TBD</i> <i>Reservation deadline: 8/16/18</i>	
30 *	Council of Water Utilities Meeting <i>Sept. 18, 2018 – 7:15 a.m., Location TBD</i> <i>Reservation deadline: 9/13/18</i>	
31	CSDA Annual Conference <i>Sept. 24-27, 2018 – Palm Springs</i> <i>Registration deadline: TBD</i>	

	SCHEDULE OF UPCOMING MEETINGS AND EVENTS	ATTENDEES
32 *	Council of Water Utilities Meeting <i>Oct. 16, 2018 – 7:15 a.m., Location TBD</i> <i>Reservation deadline: 10/11/18</i>	
33 *	CSDA Quarterly Dinner Meeting <i>Nov. 15, 2018 – 6:00-9:00 p.m. – The Butcher Shop Steakhouse, Kearny Mesa</i> <i>Reservation deadline: 11/8/18</i>	
34	ACWA Fall Conference <i>Nov. 27-30, 2018 – San Diego</i> <i>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:

A=Airline; **R**=Registration; **C**=Car; **H**=Hotel; **T**=Tentative



Agenda Item: 15

STAFF REPORT

Board Meeting Date: January 3, 2018
Prepared By: Lisa Soto

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:

- Property on Pipeline Drive
- JPIA Liability Insurance
- CalPERS actuarial report
- 2017 Water Master Plan
- Weese treatment plant agreement amendment



Agenda Item: 16

STAFF REPORT

Board Meeting Date: January 3, 2018
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: 17

STAFF REPORT

Board Meeting Date: January 3, 2018
Prepared By: Eldon Boone

SUBJECT: COMMENTS BY GENERAL COUNSEL

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



Agenda Item: 18

STAFF REPORT

Board Meeting Date: January 3, 2018
Prepared By: Eldon Boone

SUBJECT: COMMENTS BY GENERAL MANAGER

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

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 JANUARY 3, 2018, WAS ADJOURNED UNTIL 8:30 AM, JANUARY 17, 2018, AT THE OFFICE OF THE VISTA IRRIGATION DISTRICT, 1391 ENGINEER STREET, VISTA, CALIFORNIA.

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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: January 3, 2018