

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

August 16, 2017

An Adjourned Meeting of the Board of Directors of Vista Irrigation District was held on Wednesday, August 16, 2017, at the offices of the District, 1391 Engineer Street, Vista, California.

1. CALL TO ORDER

President Miller called the meeting to order at 8:30 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, Director of Engineering; Frank Wolinski, Operations and Field Services Manager; Alisa Nichols, Management Analyst; Marlene Kelleher, Finance Manager; and Marian Schmidt, Administrative Assistant. General Counsel Joel Kuperberg was also present.

Other attendees: None.

3. PLEDGE OF ALLEGIANCE

Director Vásquez led the pledge of allegiance.

4. APPROVAL OF AGENDA

17-08-95	<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

Director of Engineering Brian Smith provided brief clarification on agenda Item 6. E, the Cash Disbursement Report, regarding a payment made to Cass Construction, Inc., stating this was the final payment. Mr. Smith said that the overall cost of the project has tracked very close to the original budget with only a couple of minor change orders.

On Page 3 of the Cash Disbursement Report, General Manager Eldon Boone clarified that the operating costs associated with the Escondido-Vista Water Treatment Plant (EVWTP) do not include the On-site Chlorine Generation System Project (Project). Mr. Boone stated that the Project began in 2011 and is expected to be completed this fiscal year. The total cost to the District for this project was budgeted at \$3.3 million (20 percent of the overall cost) with the City of Escondido paying the remaining 80 percent.

Operations and Field Services Manager Frank Wolinski provided clarification regarding the purchase of an asphalt grinder. He stated that this equipment is used every day by the District so renting instead of purchasing would be cost prohibitive. The asphalt grinder currently owned by the District is being replaced because it no longer meets State emissions requirements for full time use and will have to be taken out of service entirely by 2020.

17-08-96	<i>Upon motion by Director Vásquez, seconded by Director MacKenzie and unanimously carried (5 ayes: Miller, Vásquez, Dorey, Sanchez, and MacKenzie), the Board of Directors approved the Consent Calendar, including Resolution No. 17-32 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 (L50) via City of Vista Map P16-0032 for a specific water easement over a 54-unit condominium project consisting of approximately 3.14 gross acres owned by Lennar Homes of California, Inc., a California Corporation, located at 1630 South Melrose Drive, Vista (LN 2015-026; APN 183-220-30; DIV NO 4).

B. Waterline Project Approval

See staff report attached hereto. Staff recommended and the Board approved the waterline project, and directed staff to file the Notice of Exemption over a proposed 4-lot industrial development, known as the Bosstick Norman Strasse Industrial Park, consisting of approximately 15.66 gross acres owned by RAF Group Bosstick, L.L.C., located at Bosstick Blvd. and Norman Strasse Road, San Marcos (LN 2017-006; APNs 217-560-11, -24, -43 and -45; DIV 5).

C. Asphalt Grinder

See staff report attached hereto. Staff recommended and the Board approved the purchase of a portable diesel-powered asphalt grinder from Asphalt Zipper, Inc. in the amount of \$133,721.23.

D. Minutes of Board of Directors meeting on August 2, 2017

The minutes of August 2, 2017 were approved as presented.

E. Resolution ratifying check disbursements

RESOLUTION NO. 17-32

BE IT RESOLVED, that the Board of Directors of Vista Irrigation District does hereby approve checks numbered 56688 through 56781 drawn on Union Bank totaling \$802,079.29.

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 16th day of August 2017.

* * * * *

7. RATE ADJUSTMENT POLICY

See staff report attached hereto.

Mr. Boone said that the District's Rate Adjustment Policy (Policy) is presented for renewal by the Board every four years. Finance Manager Marlene Kelleher presented an overview of the Policy and the draft Notice of Public Hearing on Water Rates. She stated that the District is required to conduct a public hearing for the approval of the District's policy for rate setting per Proposition 218. She stated that staff recommends continuing the District's current policy, which allows for the pass through of costs from the San Diego County Water Authority (Water Authority) and for an annual inflationary adjustment, based on the U.S. Department of Labor's Consumer Price Index. The Board expressed concern for any type of rate increase.

Ms. Kelleher said that the Policy takes into consideration funding for the District's four reserve accounts, including the Capital Improvement Reserve. She noted that, as shown on the graph, projected Capital Improvement Reserves should be sufficient for the next 20 years if the Board retains the current water rates and service charges and only allows for the Water Authority pass throughs and inflationary adjustments. The Board reviewed and discussed the District's Reserve Policy and the list of capital projects for fiscal years 2018 to 2037.

Ms. Kelleher stated that staff is proposing to conduct the public hearing on October 18, 2017. The Board discussed the Notice of Public Hearing (Notice) and the accompanying cover letter. The Board agreed that the cover letter does a good job of explaining what the Board will be considering in the Public Hearing. On the public notice itself, Director MacKenzie requested that a column be added to the "Monthly Service Charge" box to show the bi-monthly service charge, since most of the District's customers receive their bill on a bi-monthly basis. Hearing no objection from the rest of the Board, Mr. Boone said that staff would add the column as suggested by Director MacKenzie.

17-08-97	<i>Upon motion by Director Sanchez, seconded by Director MacKenzie and unanimously carried (5 ayes: Miller, Vásquez, Dorey, Sanchez, and MacKenzie), the Board of Directors approved the Notice of Public Hearing with one revision as noted in the minutes, and set the public hearing date for October 18, 2017 at 8:30 a.m.</i>
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8. MATTERS PERTAINING TO THE ACTIVITIES OF THE SAN DIEGO COUNTY WATER AUTHORITY

See staff report attached hereto.

President Miller stated that there had not been a meeting of the Water Authority since his last report. He updated the Board on the San Vicente Energy Storage project, stating that the Water Authority has send out a Request for Proposals seeking a future partner/developer for the Project.

Mr. Boone reported that at the next meeting of the Water Authority Board of Directors on August 24, 2017 at 1:00 p.m. Roger Patterson, Assistant General Manager of the Metropolitan Water District (MWD) will be presenting “Modernizing the System: California Waterfix Infrastructure”. Mr. Boone said that he believes this will be a well-attended presentation, and he suggested the Board consider attending if their schedules permit.

Mr. Boone updated the Board regarding the Water Authority’s position on wheeling water for the San Luis Rey Indian Water Authority (SLRIWA) per the recent Indian Water Rights Settlement.

Mr. Boone reported on a proposed public goods charge on water to fund a low-income rate assistance program. He stated that the Water Authority is preparing a comment letter on this proposal, and the District will consider signing on to it or composing its own letter on the matter.

9. MEETINGS AND EVENTS

See staff report attached hereto.

Directors Sanchez and MacKenzie reported on their attendance at a public hearing of the State Water Resources Control Board where the discussion centered on implementation of AB 401, and ideas for the creation of a program to subsidize the cost of water for lower income residents in California. It was noted that the language in AB 401 states that it is a human right to have water that is affordable and accessible. Director MacKenzie commented that the word “affordable” could be subjective and should be defined.

Director Dorey reported on his attendance at the meeting of the Council of Water Utilities where Tom Scaglione, Assistant General Manager of the Vallecitos Water District (VWD), presented VWD’s rate structure. Director Dorey noted that, like the District’s rate structure, VWD’s rate structure is based on meter size rather than the class of customer (i.e. residential vs. industrial, etc.).

Director Vásquez reported on his attendance at the Legislative Roundtable meeting at the Water Authority where Assembly Member Lorena Gonzalez Fletcher spoke about water-related issues and legislation affecting the state and San Diego region. Director Vásquez also reported on his attendance at the ACWA Water Quality Committee meeting where there were presentations made regarding the California Waterfix and steelhead monitoring.

Director MacKenzie reported on her attendance at a meeting of the San Diego Local Agencies Formation Commission (LAFCO) where an employment contract for the incoming Executive Director, Keene Simonds, was approved. LAFCO’s current Executive Director, Mike Ott, will be retiring as of August 31, 2017.

Director Vásquez requested to attend the presentation of “Modernizing the System: California Waterfix Infrastructure” on August 24, 2017 at the Water Authority.

17-08-98 *Upon motion by Director Dorey, seconded by Director MacKenzie and unanimously carried (5 ayes: Miller, Vásquez, Dorey, Sanchez, and MacKenzie), the Board of Directors approved Director Vásquez to attend the “Modernizing the System: California Waterfix Infrastructure” program on August 24, 2017 in San Diego.*

Alisa Nichols left the meeting at this time.

10. ITEMS FOR FUTURE AGENDAS AND/OR PRESS RELEASES

See staff report attached hereto.

None were presented.

11. COMMENTS BY DIRECTORS

Director Vásquez commented on recent water-related news articles. He shared with the Board that he received the North County Leadership Award from Latino Literacy Now at the recent North San Diego Latino Book and Family Festival held at Mira Costa College on August 12, 2017. The Board congratulated Director Vásquez on this well-deserved recognition.

12. COMMENTS BY GENERAL COUNSEL

None were presented.

13. COMMENTS BY GENERAL MANAGER

Mr. Boone informed the Board that Tim Quinn, Executive Director of the Association of California Water Agencies (ACWA), will be on medical leave for approximately two months. Past ACWA President, Paul Kelly, will be the Acting Executive Director during Mr. Quinn’s absence.

A break was taken from 10:23 a.m. to 10:32 a.m. Upon return from break, present in the audience were Marlene Kelleher, Phil Zamora, Frank Wolinski and Brian Smith.

14. CLOSED SESSION FOR CONFERENCE WITH REAL PROPERTY NEGOTIATORS

President Miller adjourned the meeting to closed session at 10:32 a.m. for a conference with Real Property Negotiators, per Government Code section 54956.8 to discuss the following:

Property: Vista Irrigation District property located at the northwest corner of Engineer St. and Pipeline Dr. in Vista, CA 92081 (APN 219-532-22)
Agency Negotiators: Eldon Boone and Brian Smith
Negotiating Parties: Public generally
Under Negotiation: Price

The meeting reconvened in open session at 11:30 a.m. President Miller declared that no reportable action had been taken.

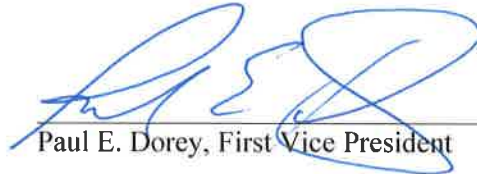
15. CLOSED SESSION FOR LABOR NEGOTIATIONS

President Miller adjourned the meeting at 11:31 a.m. for a closed session conference with labor negotiators Brett Hodgkiss, Phil Zamora and Frank Wolinski, pursuant to Government Code section 54957.6(a).

At 12:45 p.m., President Miller reconvened the meeting to open session and declared that no reportable action had been taken.

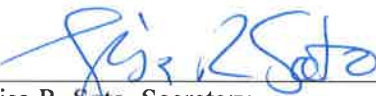
16. ADJOURNMENT

There being no further business to come before the Board, at 12:45 p.m., President Miller adjourned the meeting.



Paul E. Dorey, First Vice President

ATTEST:



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



STAFF REPORT

Agenda Item: 6.A

Board Meeting Date: August 16, 2017
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 (L50) via City of Vista Map P16-0032 for a specific water easement over a 54-unit condominium project consisting of approximately 3.14 gross acres owned by Lennar Homes of California, Inc., a California Corporation, located at 1630 South Melrose Drive, Vista (LN 2015-026; APN 183-220-30; DIV NO 4).

PRIOR BOARD ACTION: On October 6, 1999, the Board accepted Grant of Right of Way (F28) over APN 183-220-30 and Grant of Right of Way (S142) over APN 183-220-28.

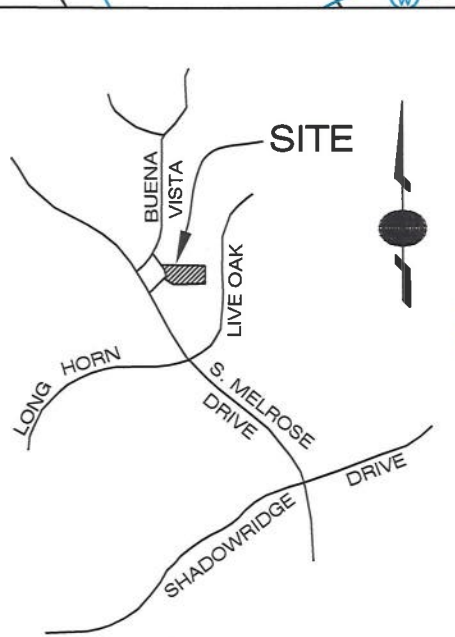
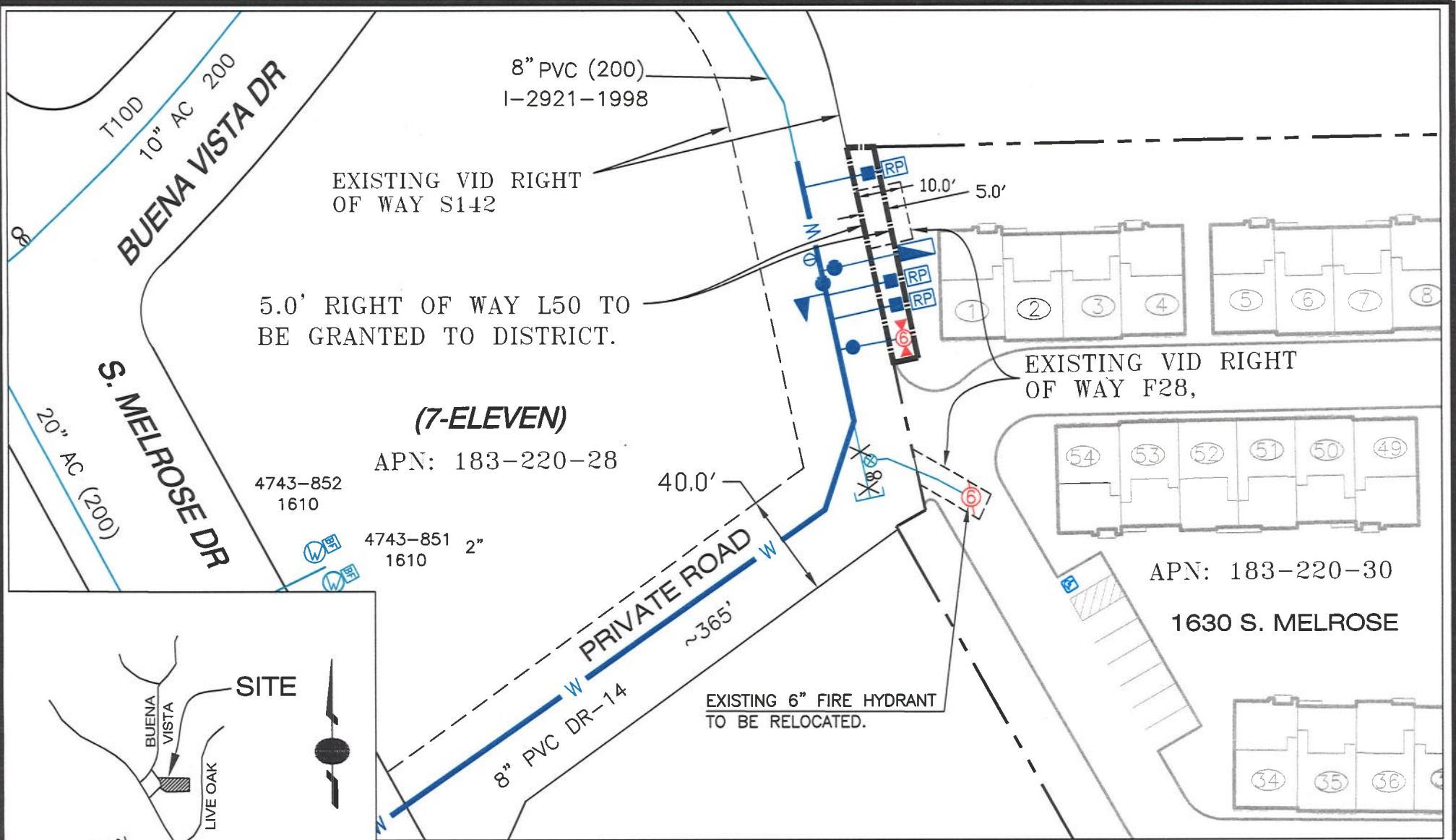
FISCAL IMPACT: None.

SUMMARY: The acceptance of Grant of Right of Way (L50) via City of Vista Map P16-0032 will allow the District to secure a dedicated specific water easement over Assessor Parcel Number (APN) 183-220-30 and allow the owner to record the map with the County Recorder.

DETAILED REPORT: The District currently has Grant of Right of Way (S142) for the waterlines within the existing private road. Grant of Right of Way (L50) will allow the proposed water meters and fire-hydrant to be within a dedicated specific water easement.

The owner is in the process of completing improvement and grading plans for their project. Once the plans have been completed, the project will be brought to the Board at a subsequent meeting for consideration of approval.

ATTACHMENT: Map



VICINITY MAP
NO SCALE

(7-ELEVEN)
APN: 183-220-28

APN: 183-220-30
1630 S. MELROSE



PROPOSED GRANT OF RIGHT OF WAY (L50), TO VID PER CITY OF VISTA MAP P16-0032.

OWNER:
LENNAR HOMES OF CALIFORNIA, INC.
25 ENTERPRISE, SUITE 300
ALISO VIEJO, CA 92656
CONTACT: ALAN CHIK
(949) 349-8235

ENGINEER:
HUNSAKER & ASSOCIATES
9707 WAPLES STREET
SAN DIEGO, CA 92121
CONTACT: YOLANDA CALVO
858-558-4500

VISTA IRRIGATION DISTRICT			
1630 S. MELROSE CONDOMINIUMS			
APN	183-220-30	T.B.	1107-G4
SCALE	NONE	L.N.	2015-026
APPD. BY	<i>ASD</i>	DATE	08/19/17
DRAWN BY	M.S.	DATE	08/07/17
SHEET	1 OF 1	MAP	E20
REVISED			
PATH Z:\Engineering\JOBS\LN-JOBS\LN2015-026\Board Map			



STAFF REPORT

Agenda Item: 6.B

Board Meeting Date:	August 16, 2017
Prepared By:	Al Ducusin
Reviewed By:	Brian Smith
Approved By:	Eldon Boone

SUBJECT: WATERLINE PROJECT APPROVAL

RECOMMENDATION: Approve this waterline project, and direct staff to file the Notice of Exemption over a proposed 4-lot industrial development, known as the Bosstick Norman Strasse Industrial Park, consisting of approximately 15.66 gross acres owned by RAF Group Bosstick, L.L.C., located at Bosstick Blvd. and Norman Strasse Road, San Marcos (LN 2017-006; APNs 217-560-11, -24, -43 and -45; DIV 5).

PRIOR BOARD ACTION: None.

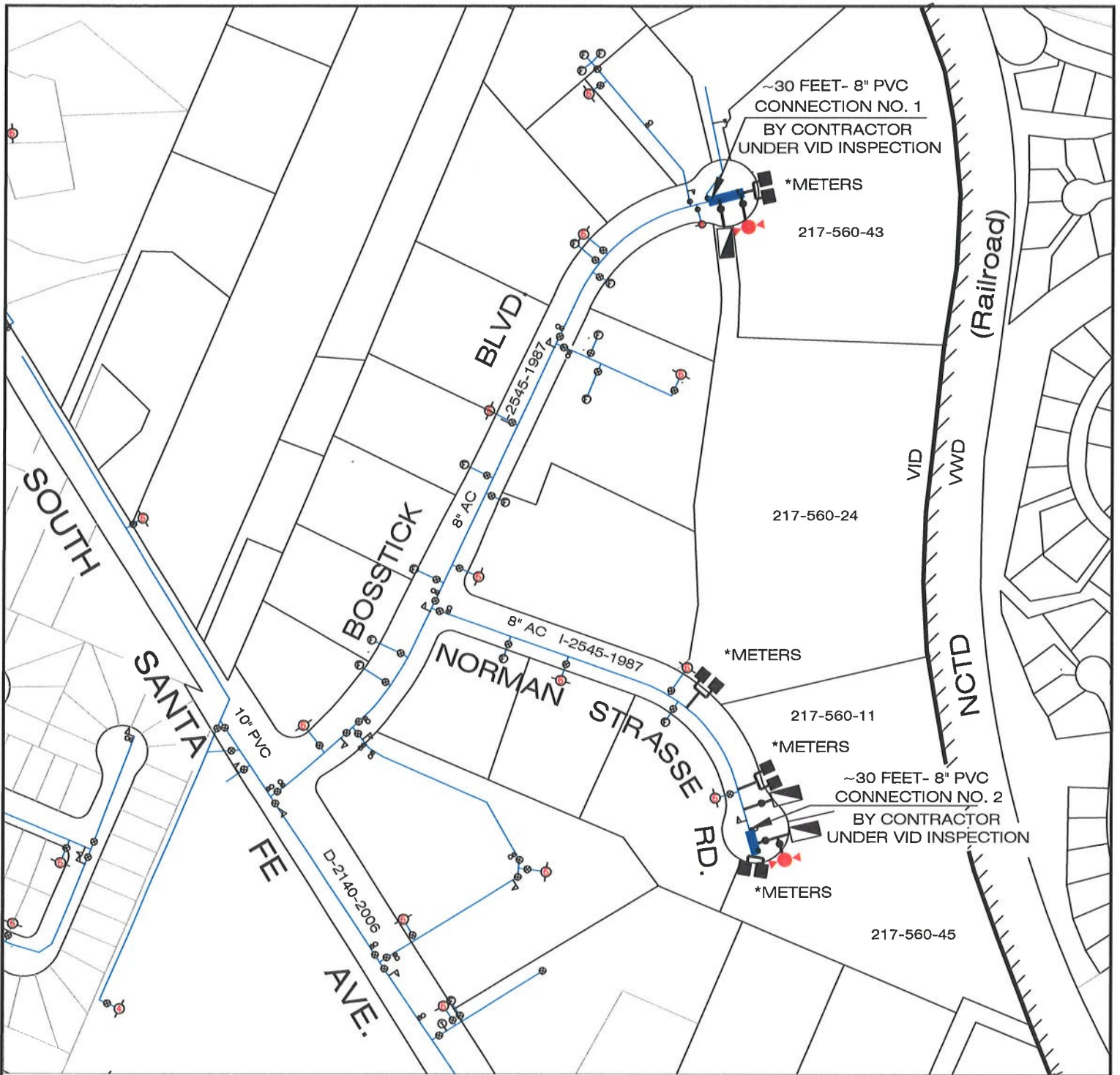
FISCAL IMPACT: None.

SUMMARY: On June 16, 2017, the District signed the grading plans for this waterline project. The approval of this water system will allow the General Manager to sign the construction contract when the owner returns it and will allow the owner to continue with the development of their project.

DETAILED REPORT: Under District inspection, the owner's contractor will install approximately 60 feet of 8" waterline, four 1 1/2" domestic water services, four 1" irrigation water services, three 8" fire services and make connections as approved on the plans. The owner will also submit applications and pay the necessary fees to the District for water meters.

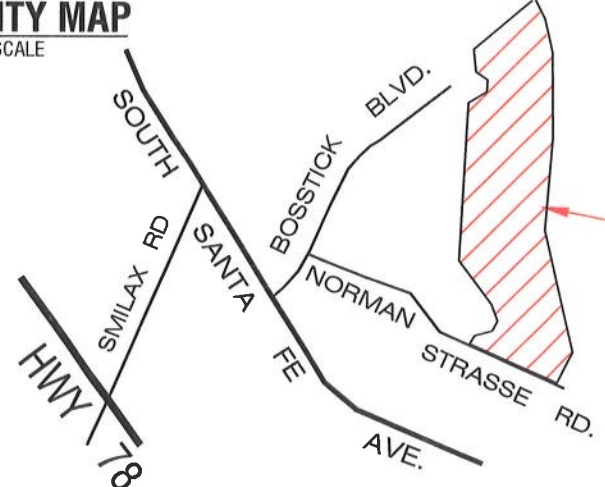
The approval of this waterline project will allow the owner to proceed with the development of their project.

ATTACHMENT: Map



VICINITY MAP

NO SCALE



SITE

OWNER/DEVELOPER:
 RAF GROUP BOSSTICK, L.L.C.
 111 C STREET, SUITE 200
 ENCINITAS, CA 92024
 CONTACT: ADAM ROBINSON
 *OWNER TO APPLY AND PAY METER FEES

VISTA IRRIGATION DISTRICT		
BOSSTICK NORMAN STRASSE INDUSTRIAL PARK		
APN	217-560-11, -24, -43 & -45	T.B. 1108-D5
SCALE	NOT TO SCALE	L.N. 2017-006
APPD. BY	<i>AR</i>	DATE <i>8/1/17</i>
DRAWN BY	J.V.	DATE 08/01/17
SHEET	1 OF 1	MAP J21
REVISED	AJD 08/02/17	
PATH Z:\Engineering\JOBS\LN JOBS\LN2016-014\CAD DRAWINGS		



STAFF REPORT

Agenda Item: 6.C

Board Meeting Date: August 16, 2017
Prepared By: Frank Wolinski
Reviewed By: Brett Hodgkiss
Approved By: Eldon Boone

SUBJECT: ASPHALT GRINDER

RECOMMENDATION: Approve the purchase of a portable diesel-powered asphalt grinder from Asphalt Zipper, Inc. in the amount of \$133,721.23.

PRIOR BOARD ACTION: The asphalt grinder was included in the 2018 Budget as Item 18-10 for \$135,000.

FISCAL IMPACT: \$133,721.23.

SUMMARY: The current asphalt grinder has proven to be an essential piece of equipment in optimizing efficiency for the District's main line replacement program. Regulations on diesel engine exhaust emissions have limited the use and time frame the District can operate this piece of equipment. Replacement of the asphalt grinder will maintain efficiencies on main line replacement projects and ensure District compliance with air pollution control regulations.

DETAILED REPORT: On July 17, 2002, the Board approved the purchase of an asphalt grinder manufactured by Asphalt Zipper, Inc. This asphalt grinder has been in service for over 15 years and has proven to be an integral piece of equipment to construction crews working on the main line replacement program. The asphalt grinder has eliminated the need for asphalt saw cutting as well as costs associated with asphalt cutting, hauling and disposal. Additionally, ground asphalt can be incorporated with backfill material, thus reducing import material costs.

In January 2015, the asphalt grinder's diesel engine had to be registered as a low use engine, limiting its operation to 80 hours or less in a calendar year per the San Diego Air Pollution Control District; the asphalt grinder will have to be retired by 2020 per State regulations. The selected asphalt grinder manufactured by Asphalt Zipper, Inc. has a Tier 4 compliant diesel engine that meets current exhaust emissions standards for California.

Asphalt Zipper, Inc. is the only known manufacturer of a portable asphalt grinder that produces an equivalent to the District's current unit with respect to asphalt grinding depth and width capabilities along with engine performance. Additionally, the District's existing 30" and 36" cutting heads are compatible with a new model asphalt grinder manufactured by Asphalt Zipper, Inc., eliminating the need to purchase additional cutting heads. For the above stated reasons as well as the proven reliability of the District's current equipment, the new portable diesel-powered asphalt grinder manufactured by Asphalt Zipper, Inc. is recommended as a sole source purchase in accordance with the District's purchasing policy and procedures.

ATTACHMENT: Asphalt Zipper, Inc. sole source document.



Asphalt Zipper

World Leader in Portable Reclaimers / Stabilizers / Utility Trenchers

Frank Wolinski
Operations & Field Services Mgr.

Vista Irrigation District
1391 Engineer Street
Vista, CA 92081

July 24, 2017

Subject: Sole Source Justification for the Purchase of the Asphalt Zipper bucket mounted portable Asphalt Milling / Pulverizing / Reclamation / Trenching line of High Powered Attachment Machines, Component Parts and Replacement Parts.

To Whom It May Concern:

Asphalt Zipper, Inc. ("AZI") is the sole manufacturer of the Asphalt Zipper line of bucket-mounted portable machines. These models include AZ300, AZ360, AZ480, AZ500, AZ600, AZ720 and other models. Asphalt Zipper machines are very portable (each is transported on its own custom transport/storage trailer) and powerful (each is powered by its own independent EPA compliant turbo diesel engine or EPA compliant gasoline engine) and each feature own patented "Versa Mount" universal bucket mounting / hydraulic bucket clamping system.

The proprietary designs, features and manufacture of all Asphalt Zipper bucket mounted attachments are protected by United States Patents #7036252, #7066555, and #7144087 with other U.S. Canadian and other international patents pending. This patented bucket mount system allows the Asphalt Zipper to be mounted to a wide variety of front-end loaders, and backhoes. This benefit not only give our customers the ability to use different loaders or backhoes on the job site, but also if the customer's host equipment breaks down the Asphalt Zipper can easily be mounted to a rental or loaner loader or backhoe.

Many Asphalt Zipper models come with the optional removable components that include enhanced containment system or "Grindbox", the Side Shift and Tilt mounting system, other quick attach mounting systems and customer DOT approved trailers.

There are other companies that manufacture asphalt pulverizing or grinding machines that are either self-propelled, self-powered or draw power from the hydraulics of host equipment.

Also, the component replacement parts are unique to Asphalt Zipper and its proprietary designs and are supplied by Asphalt Zipper direct to owners of our equipment. No other company manufactures sells components or replacement parts for the Asphalt Zipper line of machines. No other attachment self-propelled Asphalt pulverizing machine uses a bucket mounting or bucket clamping system. Asphalt Zipper, Inc. has been manufacturing self-powered bucket mounted attachments machines since 1994 and has manufactured and sold over 2,500 machines in North America.

In the United States, Asphalt Zipper, attachment machines, components and all replacement parts are sold factory direct through Asphalt Zipper's factory based and locally based sales employees. This unique sales allows Asphalt Zipper to sell to customers all across the United States at the same low price. The vast majority of our customers report complete satisfaction with the capability and affordability of owning and operating their Asphalt Zipper machines.

Respectfully,
Shane Beck
Shane Beck
Western States Manager
Asphalt Zipper, Inc.

ASPHALT ZIPPER WORLD HEADQUARTERS
831 East 340 South, Suite 250, American Fork, Uah 84003, USA
Telephone + 1 (801) 785-0706 • Toll-free + 1 888-ZIPPER-8 (947-7378)
www.asphaltzipper.com

Cash Disbursement Report



Payment Dates 07/20/2017 - 08/02/2017

Payment Number	Payment Date	Vendor	Description	Amount
56688-56690	07/26/2017	Refund Checks 56688-56690	Customer Refunds	412.95
56691	07/26/2017	Refund Check 56691	Customer Refund	1,512.88
56692	07/26/2017	ACWA/JPIA	Worker Compensation 04/2017 - 06/2017	49,457.87
56693	07/26/2017	Airgas USA LLC	Carbide Saw Blade, Welding Filler Rod	154.65
56694	07/26/2017	Allied Electronics Inc	SCADA Back Panel	99.32
	07/26/2017		Materials for CX28 SCADA Panel	1,171.28
	07/26/2017		Materials for CX27 SCADA Panel	1,170.94
56695	07/26/2017	Aquajet Art	Waterjet Cutting for Daley Bench Trash grate	200.00
56696	07/26/2017	Basic pacific	Flexible Benefits Service/Cobra 07/2017	254.00
56697	07/26/2017	Canon Solutions America, Inc	Copier Maintenance	34.42
56698	07/26/2017	Cass Construction, Inc	Shea Flume Relocation Construction 06/2017	112,575.00
56699	07/26/2017	CDW Government Inc	SMARTNet Renewal for all Cisco Hardware	9,495.00
56700	07/26/2017	Commercial Transportation Services Inc	Commercial Driver Training (4)	780.00
56701	07/26/2017	Department of Toxic Substances Control	EPA ID Verification/Renewal 07/2017	175.00
56702	07/26/2017	Diesel Pollution Solutions Inc	Remove & Clean Exhaust Filter - Truck 48	336.72
56703	07/26/2017	El Camino Rental	Concrete	200.26
56704	07/26/2017	Electrical Sales Inc	Electric Meter Pedestal	1,691.56
	07/26/2017		CX28 SCADA Panel	2,093.17
56705	07/26/2017	Escondido Metal Supply	Stainless Pipe for Lupine Hills Reservoir Railing	260.88
56706	07/26/2017	Glennie's Office Products Inc	Office Supplies	63.89
56707	07/26/2017	Hidden Valley Pump Sys Inc	Motor Saver for Well 32A	466.11
56708	07/26/2017	Horton Knox Carter & Foote LLP	Legal Services 07/2017	12,000.00
56709	07/26/2017	InfoSend Inc	Data Processing/Mailing Service 06/2017	7,421.71
	07/26/2017		Support & Storage 06/2017	1,156.47
56710	07/26/2017	Infrastructure Engineering Corporation	Shea Homes Flume Inspection 05/2017	9,127.00
	07/26/2017		Beehive Rebab Study 05/27/17-06/30/17	3,711.25
	07/26/2017		Shea Homes Flume Inspection 06/2017	20,136.00
56711	07/26/2017	Interstate Battery of San Diego Inc	Batteries (2)	230.17
56712	07/26/2017	Jackson & Blanc	Quarterly HVAC Maintenance 07/2017-09/2017	2,178.75
56713	07/26/2017	Ken Grody Ford Carlsbad	Window Glass & Hardware - Truck 59	156.17
	07/26/2017		Cabin Air Filters (2) - Truck 59	45.23
	07/26/2017		Water Pump, Thermostat - Truck 30	290.99

Payment Number	Payment Date	Vendor	Description	Amount
56714	07/26/2017	Liebert Cassidy Whitmore	Legal Services 06/2017	315.00
56715	07/26/2017	Lightning Messenger Express	Messenger Service 07/14/17	32.00
56716	07/26/2017	Moodys	Dump Fees (2)	400.00
56717	07/26/2017	Mutual of Omaha	LTD/STD/Life Insurance 08/2017	6,447.62
56718	07/26/2017	North County Auto Parts	Belt for Compressor	8.76
	07/26/2017		Filters (2) - Truck 59	12.78
	07/26/2017		Supplies for Garage	51.01
56719	07/26/2017	Pacific Pipeline Supply	Spools (4)	1,194.79
	07/26/2017		Meter Valve	210.09
	07/26/2017		Spools (2)	332.48
56720	07/26/2017	Pauley Equipment Rental Inc	Blades for Flail Mower	322.28
56721	07/26/2017	Red Wing Shoe Store	Footwear Program	241.77
56722	07/26/2017	Volvo Construction Equipment & Services	Excavator Rental 5/22/17-6/18/17	3,897.00
56723	07/26/2017	Sinkey Subway, Inc	Training/Lunch 7/25/17 & 7/26/17	346.76
56724	07/26/2017	TLR & Son Hydraulics Inc	Hydraulic Hose - C3	241.33
56725	07/26/2017	The San Diego Union-Tribune LLC	Advertisement - Lobby Security	313.62
56726	07/26/2017	TS Industrial Supply	Bucket Pin Retainers, Vise Jaws	111.60
56727	07/26/2017	Tyco Integrated Security LLC	Security Monitoring 08/01/17-10/31/17	2,398.49
56728	07/26/2017	UPS	Shipping	76.96
56729	07/26/2017	Verizon Wireless	Air Cards 06/17/17-07/17/17	76.02
56730	07/26/2017	VG Donuts & Bakery Inc	Board Meeting 07/19/2017	29.65
56731	07/26/2017	Vulcan Materials Company and Affiliates	Cold Mix	1,966.33
56732	07/26/2017	White Nelson Diehl Evans LLP	Audit Services 06/2017	7,500.00
56733	07/26/2017	WorkPartners OHS	New Hire Physical	245.00
56734	08/02/2017	ABABA Bolt	Stainless Steel Hardware	47.68
56735	08/02/2017	Adco Underground Services	Potholing Services - Citrus Ave	2,035.00
	08/02/2017		Potholing Services - Primrose	2,515.00
	08/02/2017		Potholing Services - Primrose	20,840.00
	08/02/2017		Potholing Services - Copper Ave	12,680.00
	08/02/2017		Potholing Services	(590.00)
56736	08/02/2017	Airgas USA LLC	5 Yr Tank Lease Renewal	10,903.50
56737	08/02/2017	AT&T	CALNET3 06/13/17-07/12/17 - Phones	979.06
	08/02/2017		CALNET3 06/13/17-07/12/17 - Teleconferences	15.26
56738	08/02/2017	AT&T	Internet Service 07/19/17-08/18/17	1,076.10
56739	08/02/2017	Big Drip Plumbing	Meter Tie Backs	10,500.00
56740	08/02/2017	CDW Government Inc	AutoDesk Annual Renewal	8,704.53
56741	08/02/2017	Cecilia's Safety Service Inc	Traffic Control - Plumosa	850.00

Payment Number	Payment Date	Vendor	Description	Amount
56742	08/02/2017	Cecilia's Safety Service Inc	Traffic Control - Lobelia Dr/Robelini Dr	2,985.00
	08/02/2017		Traffic Control - Goodwin Dr/Rebecca Ave	2,705.00
56743	08/02/2017	City Of Escondido	Escondido Canal Operating Cost 04/2017-06/2017	94,391.05
	08/02/2017		EVWTP OSG Expenses 04/2017-06/2017	302,014.59
56744	08/02/2017	DIRECTV	Direct TV Service	78.99
56745	08/02/2017	DMV Renewal	DMV Renewal	10.00
56746	08/02/2017	EDCO Waste & Recycling Services Inc	Trash/Recycle 07/2017	210.14
56747	08/02/2017	Edgehill Gate Account	Road Maintenance Fees Edgehill/HP Reservoir	600.00
56748	08/02/2017	Electrical Sales Inc	Electrical Meter Pedestal	1,691.56
	08/02/2017		Materials for Regulator Vault	770.18
56749	08/02/2017	Endicott Comm., Inc - CV	Answering Service 07/2017	315.65
56750	08/02/2017	Ferguson Waterworks	DFW Meter Box Small (57)	4,504.28
	08/02/2017		DFW Meter Box Lid 3.5 (48)	1,974.48
	08/02/2017		DFW Meter Box Large (26)	2,701.92
	08/02/2017		DFW Meter Box Lid Small (57)	3,270.23
	08/02/2017		DFW Meter Box Lid Large (26)	2,139.02
56751	08/02/2017	Fleet Pride	Air Brake System Parts - Truck 52	141.20
56752	08/02/2017	Glennie's Office Products Inc	Office Supplies	127.85
56753	08/02/2017	Grainger	Wire Marker Labels	68.68
	08/02/2017		Wire Marker Labels	137.34
	08/02/2017		SDADA Panel Wire Marker Labels	468.07
	08/02/2017		SCADA Maintenance Supplies	192.65
	08/02/2017		Wire Marker Labels	68.68
	08/02/2017		Wire Marker Labels	137.34
	08/02/2017		Exhaust/Ventilation Fan	705.37
56754	08/02/2017	Hach Company	CL2 Analyzer Parts	492.54
56755	08/02/2017	Hawthorne Machinery Co	Starter Core	(425.78)
	08/02/2017		Broom Cutting Edge & Hardware - B16	(202.85)
	08/02/2017		Hydraulic Hose, Clips - B21	198.44
	08/02/2017		Starter - L4	834.88
56756	08/02/2017	HD Supply Waterworks	Material for Green Oaks Ranch Project	2,235.74
	08/02/2017		4" Couplings for Sewer Repairs	85.17
	08/02/2017		Flanges (2)	(63.49)
	08/02/2017		Ells, Bug Screen	183.18
	08/02/2017		Material for Meter Installation	723.52
56757	08/02/2017	InfoSend Inc	Data Processing/Mailing Service 05/2017	6,760.17
	08/02/2017		Support & Storage 05/2017	1,161.28

Payment Number	Payment Date	Vendor	Description	Amount
	08/02/2017		Programming	150.00
	08/02/2017		Bill Inserts - 2017 CCR Notice	183.88
56758	08/02/2017	Ken Grody Ford Carlsbad	Sway Bar Links - Truck 34	197.92
56759	08/02/2017	Kimball Midwest	Lubricant, Drill Bits - Shop	338.61
56760	08/02/2017	Major League Pest/Gemini Pest Control	Bee Removal (18)	1,570.00
56761	08/02/2017	Moulton Niguel Water District	Refund/Workshop Registration Fees (2)	350.00
56762	08/02/2017	NAPA Auto Parts	Tire Inflator & Sealer	80.62
56763	08/02/2017	North County Auto Parts	Supplies for Garage	80.48
	08/02/2017		Grease	281.45
	08/02/2017		Brake Pads - Truck 34	40.52
	08/02/2017		Turn Rotors (2) - Truck 34	37.00
56764	08/02/2017	North County Industrial Park	Association Fees 08/2017 - 1391 Engineer St	879.30
56765	08/02/2017	North County Industrial Park	Association Fees 08/2017 - Pipeline Dr	256.40
56766	08/02/2017	Opto 22	CX28 Regulator Material	2,346.25
	08/02/2017		CX27 Regulator Material	2,346.25
56767	08/02/2017	Pacific Pipeline Supply	Flange	26.52
	08/02/2017		Flanges (3)	60.89
	08/02/2017		Fitting, Ell, Adapter, Coupling	130.50
56768	08/02/2017	Raymond Handling Solutions Inc	Warehouse Forklift Inspection	98.00
56769	08/02/2017	Roto-Rooter	Drain Repairs @ Pump Station #4	1,170.00
56770	08/02/2017	San Diego Gas & Electric	Electric 07/2017 - Warner Ranch House	52.89
56771	08/02/2017	San Diego Gas & Electric	Electric 07/2017 - Buildings & Grounds	383.04
	08/02/2017		Electric 07/2017 - Well Field	11,001.26
	08/02/2017		Electric 07/2017 - Well Field	367.43
56772	08/02/2017	Shred-it USA LLC	Shredding Service	96.51
56773	08/02/2017	Southern Counties Lubricants, LLC	Hydraulic Fluid	580.60
	08/02/2017		Fuel 07/01/15-07/15/15	3,846.90
56774	08/02/2017	Special District Leadership Foundation	Recognition in Special District Governance - P Sanchez	65.00
56775	08/02/2017	Sunrise Materials Inc	Gravel Bags (35)	132.61
56776	08/02/2017	Harrison Power Equipment	Starter for Small Generator	47.65
56777	08/02/2017	TS Industrial Supply	Saw Blades (2)	321.66
	08/02/2017		Hose Wrap	195.72
	08/02/2017		Air Regulator & Gauge	113.29
	08/02/2017		Blade for PVC Cutter	18.02
	08/02/2017		Tool Box Latch	82.89
56778	08/02/2017	UniFirst Corporation	Uniform Service	350.02
56779	08/02/2017	University of Southern California	Scholarship Award	1,500.00

Payment Number	Payment Date	Vendor	Description	Amount
56780	08/02/2017	Verizon Wireless	District Cell Phones	1,340.14
56781	08/02/2017	Western Water Works Supply Company	Pipe Lube	179.89
Grand Total:				802,079.29



STAFF REPORT

Agenda Item: 7

Board Meeting Date: August 16, 2017
Prepared By: Marlene Kelleher
Reviewed By: Brett Hodgkiss
Approved By: Eldon Boone

SUBJECT: RATE ADJUSTMENT POLICY

RECOMMENDATION: Review the District’s Rate Adjustment Policy and draft Notice of Public Hearing on Water Rates.

PRIOR BOARD ACTION:

7/15/2009 Conducted a public hearing and adopted Resolution Number 09-40 which renewed the pass through of San Diego County Water Authority (Water Authority) costs and annual inflationary adjustments (Rate Adjustment Policy) for a five year period.

10/9/2013 Conducted a public hearing and adopted Resolution Number 13-38 renewing the District’s Rate Adjustment Policy for a period of five years.

FISCAL IMPACT: Renewal of the Rate Adjustment Policy ensures that the District’s revenues and reserves sufficiently fund current and future operations and capital costs.

SUMMARY: To comply with the procedural requirements of Proposition 218, staff has prepared a Notice of Public Hearing on Water Rates to consider the renewal of the Rate Adjustment Policy. The Notice of Public Hearing informs the public of the District’s proposal to 1) reaffirm the District’s pass through of cost adjustments from the Water Authority for a period of five years; and, 2) reaffirm the District’s annual inflationary adjustments for a period of five years.

DETAILED REPORT: The Rate Adjustment Policy is comprised of two components: the pass through of Water Authority costs and annual inflationary adjustments. The pass through of Water Authority costs ensures that one of the District’s single largest cost components is adjusted whenever the Water Authority makes changes to its rates and charges. The annual inflationary adjustment is based on the U.S. Department of Labor’s Consumer Price Index (CPI) – All Urban Consumers – San Diego, California for the previous calendar year ended. This adjustment is only applied to costs other than from the Water Authority. It is important to note that an adjustment to either component can result in an increase or decrease in the District’s water rates.

A history of the monthly impact on a typical residential customer from the inflationary adjustment and Water Authority pass through since the last renewal is as follows:

		<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>
Inflationary Adjustment	\$	0.82	\$	1.09	\$	0.98	\$	2.75
CWA Pass Through	\$	1.35	\$	1.80	\$	3.41	\$	1.44

The Rate Adjustment Policy takes into consideration funding for the District’s reserves. The District has four reserves: Emergency and Contingency, Working Capital, Water Purchase Stabilization and Capital Improvement which are explained in more detail in the attached “Board Approved Reserves”. As shown in the attached “Capital Project List”, the anticipated level of capital spending fluctuates from year to year based on timing of projects; the District’s annual capital costs are expected to average \$7 million over the next 20 years. As such, the Capital Improvement Reserve will grow in some years and be drawn down in others when capital costs are higher.

The attached “Projected Capital Improvement Reserve” displays the projected balance of this reserve over the next 20 years. The projection indicates that if the Board retains the current water rates and service charges and only allows for Water Authority pass throughs and inflationary adjustments, the District should be able to sufficiently fund its operations and capital needs in the future.

California voters passed Proposition 218 in 1996, which established noticing and other procedural requirements for “property-related fees or charges.” Upon determination by the California Supreme Court in 2006 that water rates are subject to the requirements of Proposition 218, the District has complied with all of the procedural requirements of Proposition 218, including preparation of the attached Notice of Public Hearing. The Notice informs the public that the District will be considering the renewal of the Rate Adjustment Policy on October 18, 2017.

ATTACHMENTS: Board Approved Reserves
Capital Projects
Projected Capital Improvement Reserve
Draft Notice of Public Hearing on Water Rates

Vista Irrigation District RESERVE POLICY

Capital Improvement:

The purpose of this reserve is to provide funding for the District's Capital Improvement Program. The District continually updates the Capital Improvement Program as priorities, designs, and estimated costs change. The only commitment to actual funding of capital improvements occurs annually with the adoption of the District's capital budget.

Emergency and Contingency:

The purpose of this reserve is for unanticipated expenses resulting from emergencies including, but not limited to earthquakes, floods, winds, fires, and damages to or destruction of District facilities and property. This reserve represents approximately 10% of the District's capital assets, net of accumulated depreciation.

Working Capital:

The purpose of this reserve is for operating revenue and expense variances, such as reduced water sales, tax and investment revenues, and/or increased operating expenses, such as extraordinary measures necessary as the result of unforeseen climatic, operational and economic conditions. This reserve represents approximately 20% of annual water sales.

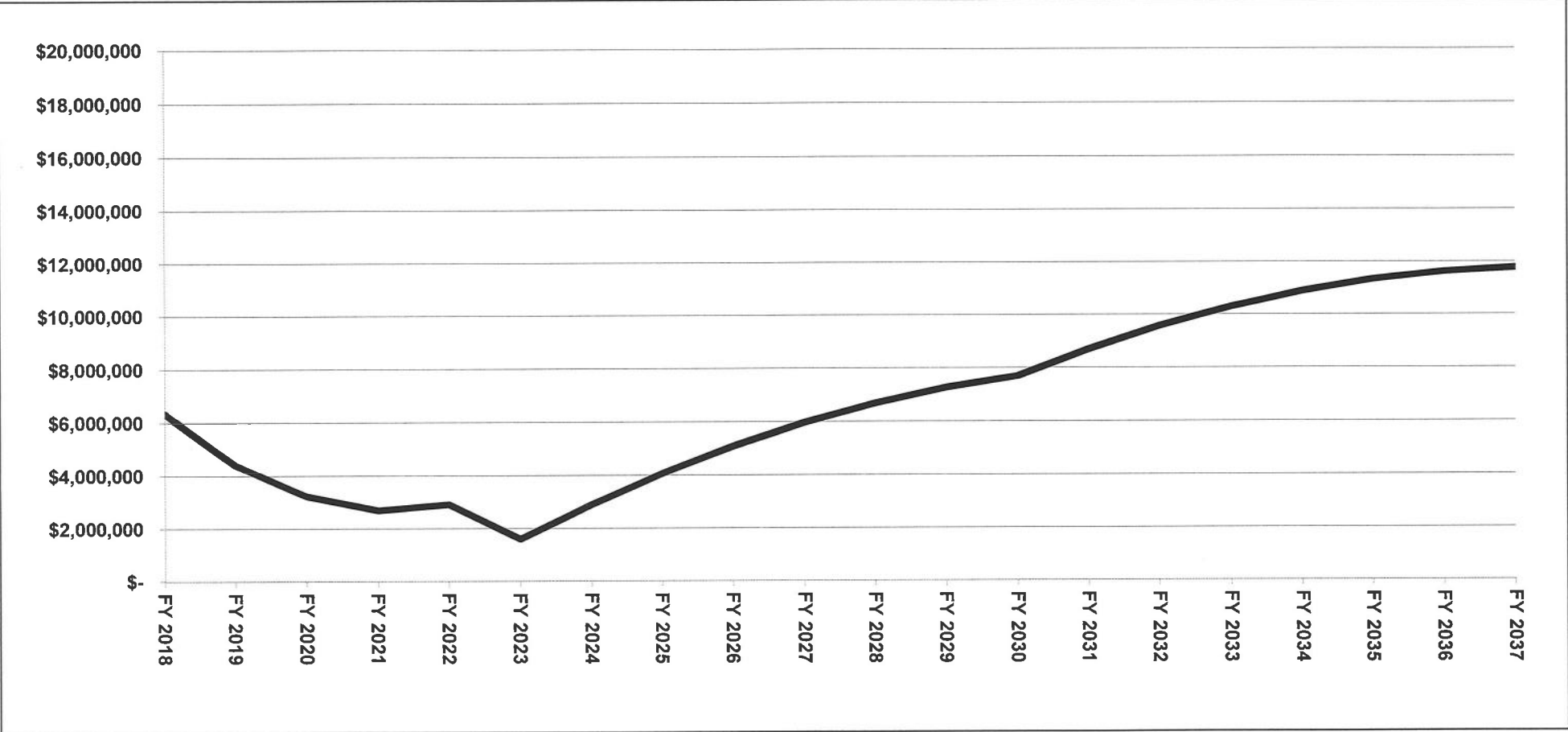
Water Purchase Stabilization:

Due to large fluctuations in the production of local water, the District is constantly exposed to large swings in the cost of purchasing water from the San Diego County Water Authority. The purpose of this reserve is to accumulate funds during wet years to help offset the financial burden sustained during dry years.

Vista Irrigation District CAPITAL PROJECTS Fiscal Years 2018 to 2037

Infrastructure	Current Cost	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037
Main Replacement Program	\$ 48,000,000	\$ 4,500,000	\$ 4,568,356	\$ 4,637,751	\$ 2,615,666	\$ 2,655,399	\$ 2,695,735	\$ 2,736,684	\$ 2,778,255	\$ 2,820,458	\$ 2,863,301	\$ 2,906,796	\$ 2,950,951	\$ 2,995,776	\$ 3,041,283	\$ 3,087,481	\$ 3,134,381	\$ 3,181,993	\$ 3,230,328	\$ 3,279,398	\$ 3,329,213
Paseo Santa Fe St. - Main to Ocean View	1,850,000	1,550,000	304,557	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
E. Vista Way & Mason Rd. Pipelines	600,000	-	-	-	627,760	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AB Line Replacement	966,029	50,000	929,944	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Calle Maria Pipeline Extension	200,000	200,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vista Flume Rehabilitation - Beehive Bench	1,100,000	100,000	507,595	515,306	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lita Lane Pipeline Extension	81,000	81,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HB Reservoir Rehabilitation	2,075,000	75,000	-	-	-	-	143,773	145,956	148,174	150,424	152,709	155,029	157,384	159,775	162,202	164,666	167,167	169,706	172,284	174,901	177,558
HP Reservoir Rehabilitation	1,701,849	1,701,849	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Camino Mateo Pipeline Extension and Emerg	20,000	20,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor Control Panel	14,800	14,800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SCADA Graphical User Interface Software	10,000	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Flume Relocation	243,034	243,034	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leach Fields	14,000	14,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Flume - Siphon Replacement	1,234,117	-	1,252,864	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Flume - Pressure Zone Loop	266,425	-	270,472	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
On-Site Chlorine Generation System	1,011,855	1,011,855	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
S. Santa Fe Pipeline - Mar Vista to Mont.	436,746	-	443,380	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
San Marcos, S. Santa Fe Wide - Smilac to Bostick	256,909	-	-	-	-	-	18,468	18,749	19,034	19,323	19,616	19,914	20,217	20,524	20,836	21,152	21,473	21,800	22,131	22,467	22,808
Modular Office	123,316	-	125,190	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
S. Santa Fe Pipeline - E 43 Regulator	513,819	-	15,228	257,044	260,949	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vista Flume Rehabilitation	10,324,030	-	-	591,115	600,094	609,209	618,463	627,858	637,395	647,078	656,907	666,885	677,016	687,300	697,740	708,339	719,099	730,022	741,111	752,369	763,798
Henshaw Siphon Rehab and Extension (65%)	873,492	-	-	-	456,953	463,894	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CO SD, S. Santa Fe Ave - Widening Project	4,110,549	-	-	-	-	-	295,492	299,981	304,537	309,163	313,860	318,627	323,467	328,381	333,369	338,433	343,574	348,793	354,091	359,470	364,930
H Line Aband. - Pechstein to E Reservoir	719,346	-	-	-	-	-	51,711	52,497	53,294	54,104	54,925	55,760	56,607	57,467	58,340	59,226	60,125	61,039	61,966	62,907	63,863
Well Field Master Plan (65%)	70,907	-	-	73,078	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bella Vista/Estrelita Transmission Main	1,541,456	-	-	-	-	-	110,810	112,493	114,202	115,936	117,697	119,485	121,300	123,143	125,013	126,912	128,840	130,797	132,784	134,801	136,849
80's Pipeline (65%)	35,967	-	-	-	37,631	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Osborne St. Main - E. Vista Way to F Reg.	1,335,928	-	-	-	-	-	96,035	97,494	98,975	100,478	102,004	103,554	105,127	106,724	108,345	109,991	111,662	113,358	115,080	116,828	118,602
Habitat Conservation Plan	544,648	-	-	-	-	-	39,153	39,747	40,351	40,964	41,586	42,218	42,859	43,510	44,171	44,842	45,524	46,215	46,917	47,630	48,353
Valve Rehab on Dam Outlet	220,942	-	-	-	115,582	117,338	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
San Pasqual Undergrounding (50%)	12,818,195	-	2,602,581	2,642,115	2,682,250	2,722,994	2,764,357	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Well Field Repair/Replacement (65%)	6,011,677	-	-	-	628,982	638,536	648,236	658,083	668,079	678,227	688,530	698,989	709,607	720,386	-	-	-	-	-	-	-
Pechstein II Reservoir	27,746,204	-	-	-	-	-	1,994,571	2,024,869	2,055,628	2,086,853	2,118,553	2,150,734	2,183,405	2,216,571	2,250,242	2,284,423	2,319,124	2,354,352	2,390,116	2,426,422	2,463,280
837 to 565 Transmission Mains	3,802,004	-	-	-	-	-	273,312	277,464	281,678	285,957	290,301	294,711	299,187	303,732	308,346	313,030	317,785	322,612	327,513	332,488	337,538
E. Reservoir Replacement/Upsize	4,624,367	-	50,760	1,571,465	1,595,336	1,619,569	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pechstein Reservoir Secondary Feed	3,802,258	-	-	-	-	-	273,330	277,482	281,697	285,976	290,320	294,730	299,207	303,752	308,366	313,051	317,806	322,633	327,534	332,510	337,561
837 to 637 Transmission Mains	1,644,219	-	-	-	-	-	118,197	119,992	121,815	123,665	125,544	127,451	129,387	131,352	133,348	135,373	137,430	139,517	141,636	143,788	145,972
Cons of 976, 810,&752 Press Zones - PHASE 3	1,027,637	-	-	-	-	-	73,873	74,995	76,134	77,291	78,465	79,657	80,867	82,095	83,342	84,608	85,893	87,198	88,523	89,867	91,233
Poinsettia & Descanso Pipelines	667,964	-	-	-	-	-	48,017	48,747	49,487	50,239	51,002	51,777	52,563	53,362	54,172	54,995	55,831	56,679	57,540	58,414	59,301
Mar Vista Dr. Pipeline	308,291	-	-	-	-	-	22,162	22,499	22,840	23,187	23,539	23,897	24,260	24,629	25,003	25,382	25,768	26,159	26,557	26,960	27,370
Bandini Place Pipeline	256,909	-	-	-	-	-	18,468	18,749	19,034	19,323	19,616	19,914	20,217	20,524	20,836	21,152	21,473	21,800	22,131	22,467	22,808
Arcadia St. Pipe - E. Vista Way to Calle Jules	234,301	-	-	-	-	-	16,843	17,099	17,359	17,622	17,890	18,162	18,438	18,718	19,002	19,291	19,584	19,881	20,183	20,490	20,801
E. Vista Way Pipe - Corvalla Dr to Warmlands	174,698	-	-	-	-	-	12,558	12,749	12,943	13,139	13,339	13,542	13,747	13,956	14,168	14,383	14,602	14,824	15,049	15,277	15,510
Anna Ln Pipeline	58,575	-	-	-	-	-	4,211	4,275	4,340	4,406	4,473	4,540	4,609	4,679	4,751	4,823	4,896	4,970	5,046	5,122	5,200
Total Infrastructure	143,673,464	9,571,538	11,070,926	10,287,873	9,621,202	8,826,939	10,337,775	7,688,461	7,805,250	7,923,814	8,044,179	8,166,373	8,290,422	8,416,356	7,812,874	7,931,554	8,052,036	8,174,349	8,298,519	8,424,576	8,552,548
Capital Equipment	12,161,750	808,300	606,627	615,842	625,197	634,693	644,335	654,122	664,059	674,146	684,386	694,782	705,336	716,050	726,927	737,970	749,180	760,560	772,113	783,842	795,748
Total Capital Projects	\$ 155,835,214	\$ 10,379,838	\$ 11,677,553	\$ 10,903,714	\$ 10,246,398	\$ 9,461,633	\$ 10,982,110	\$ 8,342,583	\$ 8,469,309	\$ 8,597,960	\$ 8,728,566	\$ 8,861,155	\$ 8,995,758	\$ 9,132,406	\$ 8,539,801	\$ 8,669,523	\$ 8,801,216	\$ 8,934,909	\$ 9,070,632	\$ 9,208,418	\$ 9,348,296

Vista Irrigation District
PROJECTED CAPITAL IMPROVEMENT RESERVE
Fiscal Years 2018 to 2037





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

Attached is a *Notice of Public Hearing on Water Rates* (Notice). We would like to describe what the Notice means to customers of the Vista Irrigation District (VID).

The Notice informs customers that VID will have a public hearing on October 18, 2017 to consider the renewal of a policy VID adopted in June 2005 and renewed in 2009 and 2013.

VID delivers water to you from Northern California, the Colorado River and Pacific Ocean via Carlsbad Desalination Plant through the region's wholesaler, the San Diego County Water Authority (Water Authority), and Lake Henshaw, which is owned by VID. The Water Authority incurs costs to import water from up to 500 miles away, and VID incurs costs to supply water from Lake Henshaw and to maintain VID's infrastructure of pipelines and facilities that are up to 90 years old.

The Notice explains that VID's Rate Adjustment Policy governs future water rate changes which can be changed in two ways as follows:

- Any time the San Diego County Water Authority (CWA) adjusts their rates, VID's rates will also be adjusted to match the change.
- Every year, VID's rates will be adjusted to match the Consumer Price Index. This adjustment will only be applied to VID specific costs and not to costs charged by CWA.

VID is not proposing any changes to current water rates.

As a governmental entity, and unlike a private utility, VID does not make a profit or have shareholders, and all revenues go back into the water system. This means that revenue derived from water rates will not exceed the cost to provide water service to customers, and the revenues will not be utilized for any purpose other than financing VID's operating and capital needs.

Customers will be notified in advance on their water bills of any water rate changes.

We hope you find this information helpful regarding the Notice and the Rate Adjustment Policy.



**NOTICE OF PUBLIC HEARING
ON WATER RATES**

PLEASE TAKE NOTICE that the Governing Board of the Vista Irrigation District will conduct a Public Hearing on October 18, 2017 at 8:30 a.m., in the Board Room at its Administrative Office at 1391 Engineer Street, Vista, CA 92081, to consider the renewal of the District’s policy of pass through of wholesale water costs and annual inflationary adjustments.

This legal notice contains information regarding the renewal of annual inflationary adjustments and wholesale imported water pass-through costs to cover the District’s future cost of providing water service.

The District’s current rates and charges are available at www.vidwater.org and are as follows:

<u>Water Usage Charges</u>	
Tier 1	\$4.16
Tier 2	4.70
<u>Agricultural Program Only:</u>	
Qualified Agricultural usage	3.68
Domestic usage	4.48

<u>Monthly Service Charge</u>	
5/8” meter	\$28.08
3/4” meter	37.05
1” meter	54.74
1-1/2” meter	99.37
2” meter	152.71
3” meter	295.05
4” meter	455.06
6” meter	1,077.71
8” meter	1,433.67
10” meter	2,145.31

During the upcoming five years, the District proposes to maintain these rates and charges, subject to extending both the annual inflationary adjustments and the pass-through.

Inflationary Adjustments to Rates and Charges

Such adjustments shall be calculated as an increase or decrease equal to the amount of the increase or decrease in the U.S. Department of Labor’s Consumer Price Index – All Urban Consumers – San Diego, California for the previous calendar year ended. These adjustments shall be effective July 1 each year, commencing July 1, 2018 through July 1, 2022. This adjustment is only applied to District costs other than those charged the District by the San Diego County Water Authority.

Pass-Through of San Diego County Water Authority Fees and Charges

The San Diego County Water Authority is the District’s wholesale water supplier. The District proposes to pass through 100% of any increase or decrease in the San Diego County Water Authority’s fees and charges imposed on the District for imported water purchases, through October 18, 2022.

The District proposes to extend for five years the current inflationary adjustment and the pass-through of San Diego County Water Authority charges in order to ensure that the District has sufficient revenues to cover the costs of providing water service. It is anticipated that the water rate and service charge revenues over the upcoming five years will recover, but not exceed, the cost of providing water service, which includes water purchases from the District’s wholesale supplier, the San Diego County Water Authority, system operation and maintenance, facility and equipment maintenance, system rehabilitation, regulatory compliance, metering, billing, conservation and account management.

(over)

The District will accept written comments or protests prior to the public hearing. A valid protest must contain a description of the property (address and/or Assessor Parcel Number) that is sufficient to identify the property, and identify the owner(s) of the property or properties for which the protest is entered. The protest must be signed by the property owner. If the person(s) signing was/were not shown on the last equalized assessment roll of San Diego County as owner(s) of the property, written evidence must be submitted stating that the person(s) signing is/are the owner(s) of the property. If a majority of the affected property owners file written protests, the current rate structure will be reconsidered. If you have any questions regarding this notice, please call the District's Customer Service Department at (760) 597-3120 during regular office hours, Monday through Friday. Protests can be mailed or personally delivered to: Vista Irrigation District at 1391 Engineer Street, Vista, CA 92081. Please do not send protests by e-mail.

If you have any questions about this notice, please contact the District's Customer Service Department at (760) 597-3120, 8:00 a.m. to 5:00 p.m., Monday through Friday.



1391 Engineer Street
Vista, CA 92081-8840
Phone (760) 597-3100
www.vidwater.org

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Return Service Requested



Agenda Item: 8

STAFF REPORT

Board Meeting Date: August 16, 2017
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.



STAFF REPORT

Agenda Item: 9.A

Board Meeting Date: August 16, 2017
Prepared By: Marian Schmidt
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: August 16, 2017
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	Understanding the Brown Act (CSDA) <i>Aug. 23, 2017 – 9:00 a.m. – 1:00 p.m. – South Feather Water & Power, Oroville</i> <i>Registration deadline: 8/17/17</i>	
2	Staying in Compliance: Understand Special District Laws (CSDA) <i>Aug. 24, 2017 – Oxnard Harbor District, Port Hueneme</i> <i>Registration deadline: 8/18/17</i>	
3	Understanding the Brown Act (CSDA) <i>Aug. 30, 2017 – 9:00 a.m. – 1:00 p.m. – Port San Luis Harbor District, Avila Beach</i> <i>Registration deadline: 8/24/17</i>	
4	Legislative Round Up Webinar (CSDA) <i>Aug. 31, 2017 – 10:00 a.m. – 12:00 p.m.</i> <i>Registration deadline: 8/25/17</i>	MacKenzie (R) Sanchez (R)
5	Understanding the Brown Act (CSDA) <i>Sept. 6, 2017 – 9:00 a.m. – 1:00 p.m. – Coachella Valley Water District, Palm Desert</i> <i>Registration deadline: 8/31/17</i>	
6 *	Council of Water Utilities Meeting <i>Sept. 19, 2017 – 7:15 a.m., Stoneridge Country Club, Poway</i> <i>Reservation deadline: 9/14/17</i>	
7	Sexual Harassment Prevention Training Webinar (ACWA/JPIA) <i>Sept. 21, 2017 – 1:00 p.m. – 3:00 p.m.</i> <i>Registration deadline: None</i>	
8	State Water Project/Bay Delta Project (SDCWA/MWD) <i>Sept. 22-23, 2017 – Meet at SDCWA</i> <i>Reservation deadline: 8/16/17</i>	
9	Tour San Diego County Water Authority Facilities (Lake Hodges Facilities; The Claude “Bud” Lewis Carlsbad Desalination Plant; Escondido Operations Center) <i>Sept. 13, 2017–Water Authority’s Escondido Operations Center – 8:00 a.m.–1:00 p.m.</i> <i>Reservation deadline 8/28/17</i>	
10	CSDA Annual Conference <i>Sept. 25-28, 2017 – Marriott and Monterey Conference Center, Monterey</i> <i>Registration deadline: 9/8/17</i>	MacKenzie (R,H) Sanchez (R,A,H)
11	Groundwater Resources Annual Conference and Meeting <i>Oct. 3-4, 2017 – Hilton Arden West, Sacramento</i> <i>Registration deadline: TBD</i>	Dorey (R,H)
12	Northern California Tour Field Trip (Water Education Foundation) <i>Oct. 11-13, 2017 – Sacramento International Airport</i> <i>Reservation deadline: 9/27/17</i>	
13 *	Council of Water Utilities Meeting <i>Oct. 17, 2017 – 7:15 a.m., Stoneridge Country Club, Poway</i> <i>Reservation deadline: 10/12/17</i>	

	SCHEDULE OF UPCOMING MEETINGS AND EVENTS	ATTENDEES
14	State Water Project/Bay Delta Project (SDCWA/MWD) <i>Oct. 28-29, 2017 – Meet at SDCWA</i> <i>Reservation deadline: 9/20/17</i>	
15	Understanding the Brown Act (CSDA) <i>Nov. 1, 2017 – 9:00 a.m. – 1:00 p.m. – East Bay Municipal Utility District, Oakland</i> <i>Registration deadline: 10/26/17</i>	
16	San Joaquin River Restoration Tour Field Trip (Water Education Foundation) <i>Nov. 1-2, 2017 – Fresno</i> <i>Reservation deadline: 10/18/17</i>	
17	California Economic Summit (California Forward) <i>Nov. 2-3, 2017 – Hilton San Diego Bayfront</i> <i>Registration deadline: None</i>	
18	Understanding the Brown Act (CSDA) <i>Nov. 8, 2017 – 9:00 a.m. – 1:00 p.m. – Stockton East Water District, Stockton</i> <i>Registration deadline: 11/2/17</i>	
19	Required Ethics AB 1234 Compliance Training Webinar (CSDA) <i>Nov. 8, 2017 – 10:00 a.m. – 12:00 p.m.</i> <i>Registration deadline: 10/27/17</i>	
20*	CSDA Quarterly Dinner Meeting <i>Nov. 16, 2017 – 6:00 - 9:00 p.m. – The Butcher Shop Steakhouse, Kearny Mesa</i> <i>Reservation deadline: 11/9/17</i>	
21*	Council of Water Utilities Meeting <i>Nov. 21, 2017 – 7:15 a.m., Stoneridge Country Club, Poway</i> <i>Reservation deadline: 11/16/17</i>	
22	ACWA Fall Conference <i>Nov. 28-Dec. 1, 2017 – Anaheim Marriott Hotel</i> <i>Registration deadline: 11/1/17</i>	Miller Dorey MacKenzie Vásquez Sanchez
23	Colorado River Water Users Association (CRWUA) <i>Dec. 13-15, 2017 – Location TBD</i>	MacKenzie
24*	Council of Water Utilities Meeting <i>Dec. 19, 2017 – 7:15 a.m., Stoneridge Country Club, Poway</i> <i>Reservation deadline: 12/14/17</i>	
25	Sexual Harassment Prevention Training AB 1661 <i>Jan. 8, 2018 – 9:00 a.m. – 12:00 p.m., VID Board Room</i> <i>Reservation deadline: None</i>	
26	Hoover Dam & Colorado River Aqueduct System (SDCWA/MWD) <i>Feb. 2-3, 2018 – Meet at SDCWA</i> <i>Reservation unavailable at this time</i>	
27	State Water Project/Bay Delta Project (SDCWA/MWD) <i>Mar. 2-3, 2018 – Meet at SDCWA</i> <i>Reservation unavailable at this time</i>	
28	Colorado River Aqueduct System (SDCWA/MWD) <i>Mar. 17-18, 2018 – Meet at SDCWA</i> <i>Reservation unavailable at this time</i>	
29	Colorado River Aqueduct System (SDCWA/MWD) <i>Mar. 24-25, 2018 – Meet at SDCWA</i> <i>Reservation unavailable at this time</i>	
30	ACWA Spring Conference <i>May 8-11, 2018 – Sacramento</i> <i>Registration deadline: TBD</i>	
31	Special Districts Legislative Days (CSDA) <i>May 22-23, 2018 – Sacramento</i> <i>Registration deadline: TBD</i>	

	SCHEDULE OF UPCOMING MEETINGS AND EVENTS	ATTENDEES
32	CSDA Annual Conference <i>Sept. 24-27, 2018 – Palm Springs</i> <i>Registration deadline: TBD</i>	
33	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: 10

STAFF REPORT

Board Meeting Date: August 16, 2017
Prepared By: Marian Schmidt

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:

- Association of California Water Agencies and California Special Districts Association committee nominations
- Weese treatment plant agreement amendment
- Grazing licenses on Warner Ranch
- Purchasing Policy – General Manager’s purchasing authority
- Appointment of representative to the San Diego County Water Authority
- Lake Henshaw concessionaire agreement



Agenda Item: 11

STAFF REPORT

Board Meeting Date: August 16, 2017
Prepared By: Marian Schmidt

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: 12

STAFF REPORT

Board Meeting Date: August 16, 2017
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: 13

STAFF REPORT

Board Meeting Date: August 16, 2017
Prepared By: Eldon Boone

SUBJECT: COMMENTS BY GENERAL MANAGER

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



STAFF REPORT

Board Meeting Date: August 16, 2017
Prepared By: Eldon Boone

SUBJECT: CLOSED SESSION FOR CONFERENCE WITH REAL PROPERTY NEGOTIATORS

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

Property: Vista Irrigation District property located at the northwest corner of Engineer Street and Pipeline Drive in Vista, CA 92081 (APN 219-532-22)
Agency Negotiators: Eldon Boone and Brian Smith
Negotiating Parties: Public generally
Under Negotiation: Price



Agenda Item: 15

STAFF REPORT

Board Meeting Date: August 16, 2017
Prepared By: Eldon Boone

SUBJECT: CLOSED SESSION: LABOR NEGOTIATIONS

SUMMARY: Conference with labor negotiators pursuant to Government Code section 54957.6(a).
Agency negotiators: Brett Hodgkiss, Phil Zamora and Frank Wolinski.