



AGENDA
ADJOURNED MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, JANUARY 22, 2020 - 9:00 AM
1391 Engineer Street, Vista, CA 92081
Phone: (760) 597-3100

In compliance with the Americans with Disabilities Act, if special assistance is needed to participate in the Board meeting, please contact the Board Secretary during regular business hours at (760) 597-3128. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.

1. CALL TO ORDER

2. ROLL CALL – DETERMINATION OF QUORUM

3. PLEDGE OF ALLEGIANCE

4. CONSIDER APPROVAL OF AGENDA

In the case of an emergency, items may be added to the Agenda by a majority vote of the Board of Directors. An emergency is defined as a work stoppage, a crippling disaster, or other activity that severely imperils public health, safety, or both. Also, items that arise after the posting of the Agenda may be added by a 2/3 vote of the Board. Items on the agenda may be taken out of sequential order as their priority is determined by the Board of Directors. The Board may take action on any item appearing on the agenda.

5. ORAL COMMUNICATIONS

Members of the public may address the Board on items not appearing on the posted agenda, which are within the subject matter jurisdiction of the Board. Speakers are asked to limit their comments to five (5) minutes; the total time allowable for all public comment on items not appearing on the agenda at any one meeting may be limited. Comments on items listed on the agenda will be taken before or during discussion of the agenda item. Members of the public desiring to address the Board are asked to complete a speaker's slip available on the table near the entrance of the Boardroom and present it to the Board Secretary prior to the meeting.

6. CONSENT CALENDAR

Any member of the Board, staff or public may request that items from the Consent Calendar be removed for discussion. Items so removed shall be acted upon separately immediately following approval of items remaining on the Consent Calendar.

A. Association Of California Water Agencies Joint Powers Insurance Authority President's Special Recognition Awards

For information only.

B. Minutes of the Board of Directors meeting on January 8, 2020

Recommendation: Approval of draft minutes.

C. Ratification of check disbursements

Recommendation: Adopt a resolution ratifying checks numbered 63473 through 63593 in the amount of \$741,800.21 pursuant to the cash disbursement report detailing expenditures.

7. FISCAL YEAR 2019 AUDIT

Recommendation: Accept the Fiscal Year 2019 audit report by White Nelson Diehl Evans LLP.

8. FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2019

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

9. STUDY OF SOUTHWESTERN WILLOW FLYCATCHER ON DISTRICT LAND

Recommendation: Receive results of field surveys for southwestern willow flycatcher on District land as performed by the United States Geological Survey (USGS) under contract to the San Diego Association of Governments (SANDAG).

10. **RESOLUTION HONORING PAST PRESIDENT JO MACKENZIE**
Recommendation: Adopt Resolution No. 20-XX honoring the District's 2019 past president, Jo MacKenzie.
11. **MATTERS PERTAINING TO THE ACTIVITIES OF THE SAN DIEGO COUNTY WATER AUTHORITY**
Informational report by staff and directors concerning the San Diego County Water Authority.
12. **MEETINGS AND EVENTS**
 - A. *Reports on meetings and events attended by Directors*
 - B. *Schedule of upcoming meetings and events*
13. **ITEMS FOR FUTURE AGENDAS AND/OR PRESS RELEASES**
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.
14. **COMMENTS BY DIRECTORS**
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.
15. **COMMENTS BY GENERAL MANAGER**
Informational report by the General Manager on items not requiring discussion or action.
16. **ADJOURNMENT**

- *The agenda package and materials related to an agenda item submitted after the packet's distribution to the Board, are available for public review in the lobby of the District office during normal business hours.*
- *Agendas and minutes are available at www.vidwater.org.*
- *VID Board meetings are generally held on the first and third Wednesday of each month.*

AFFIDAVIT OF POSTING

I, Lisa R. Soto, Board Secretary of the Vista Irrigation District, hereby certify that I posted a copy of the foregoing agenda in the lobby of the District office at 1391 Engineer Street, Vista, California at least 72 hours prior to the meeting, in accordance with Govt. Code Sec. 54954.2(a).

Date: January 16, 2020



 Lisa R. Soto, Board Secretary



Agenda Item: 6

STAFF REPORT

Board Meeting Date: January 22, 2020
Prepared By: Lisa Soto

SUBJECT: CONSENT CALENDAR

- A. Association of California Water Agencies Joint Powers Insurance Authority President's Special Recognition Awards
- B. Minutes of the Board of Directors meeting on January 8, 2020
- B. Ratification of check disbursements



STAFF REPORT

Agenda Item: 6.A

Board Meeting Date: January 22, 2020
Prepared By: Sherry Thorpe
Reviewed By: Marlene Kelleher
Approved By: Brett Hodgkiss

SUBJECT: ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY PRESIDENT'S SPECIAL RECOGNITION AWARDS

RECOMMENDATION: For information only.

PRIOR BOARD ACTION: None.

FISCAL IMPACT: None.

SUMMARY: Vista Irrigation District was recently presented President's Special Recognition Awards from Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA).

DETAILED REPORT: The ACWA JPIA President's Special Recognition Awards acknowledge the District's efforts in maintaining a low loss ratio in the Workers' Compensation and Liability programs for the annual policy periods of 2015 to 2018. The receipt of these awards is an acknowledgment that the District, with assistance from ACWA JPIA staff, is continuing its efforts to limit its exposure to workers' compensation and liability claims. These coordinated activities coupled with an actively involved and dedicated workforce have resulted in a reduction in premium costs.

The Workers' Compensation Program award recognizes that the number of injuries and lost time due to injury have steadily declined.

The Liability Program award recognizes that for the annual policy periods of 2015 to 2018 the District did not submit a single claim for loss. As a result, the District's experience modification factor dropped from 1.67 to the current rate of 0.65. This decrease has translated to annual premium savings of \$111,578 for the 2020 policy year.

ATTACHMENTS: Award Certificates

President's Special Recognition Award

*The President of the
ACWA JPIA
hereby gives Special Recognition to*

Vista Irrigation District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Workers' Compensation Program for the period 07/01/2015 - 06/30/2018
announced at the Board of Directors' Meeting in San Diego.*

E. G. "Jerry" Gladbach

E. G. "Jerry" Gladbach, President



December 02, 2019

President's Special Recognition Award

*The President of the
ACWA JPIA
hereby gives Special Recognition to*

Vista Irrigation District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Liability Program for the period 10/01/2015 - 09/30/2018
announced at the Board of Directors' Meeting in San Diego.*



E. G. "Jerry" Gladbach, President



December 02, 2019

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Not part of the District's permanent record until approved by the Board of Directors.

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

January 8, 2020

A Regular Meeting of the Board of Directors of Vista Irrigation District was held on Wednesday, January 8, 2020 at the offices of the District, 1391 Engineer Street, Vista, California.

1. CALL TO ORDER

President Vásquez called the meeting to order at 9:00 a.m.

2. ROLL CALL

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

Directors absent: None.

Staff present: Brett Hodgkiss, General Manager; Lisa Soto, Secretary of the Board; Don Smith, Director of Water Resources; Randy Whitmann, Director of Engineering; Frank Wolinski, Director of Operations and Field Services; Matt Atteberry, Engineering Services Manager; Greg Keppler, Engineering Project Manager; Mark Saltz, Water Resources Specialist; Ben Parks, Engineering Inspector; Richard Gangloff, Water Quality Operator III; Steve Frey, Water Quality Operator II; Marlene Kelleher, Director of Administration; and Ramae Ogilvie, Administrative Assistant.

Other attendees: Jessica Parks, Senior Management Analyst for the City of Poway.

3. PLEDGE OF ALLEGIANCE

President Vásquez led the pledge of allegiance.

4. APPROVAL OF AGENDA

20-01-01	<i>Upon motion by Director Miller, seconded by Director Sanchez and unanimously carried (5 ayes: Miller, Dorey, Sanchez, MacKenzie, and Vásquez), the Board of Directors approved the agenda as presented.</i>
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5. ORAL COMMUNICATIONS

Jessica Parks, Senior Management Analyst for the City of Poway (Poway) addressed the Board regarding precautionary boil water advisory issued by Poway due a cross-connection between a storm drain and its drinking water distribution system. California State Water Resources Control Board staff required Poway to flush 300 miles of pipe to get rid of any potentially contaminated water. Ms. Parks stated that it would have taken weeks to accomplish this task, so Poway called for assistance from neighboring water agencies. She noted that Vista Irrigation District was among the first to respond to the call; Ms. Parks stated that Dean Farris, Water Distribution Supervisor, offered whatever assistance was needed. She said that

DRAFT MINUTES

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Water Quality Operators Richard Gangloff and Steve Frey were sent to Poway to help flush the system, and with their help and the help of staff from other water agencies, the task was accomplished in three days. Ms. Parks stated that the reason for her visit was just to say thank you for the assistance and to also say that if the District should ever find itself in a similar situation of needing help, to please call upon Poway, who would be more than happy to return the favor.

Mr. Hodgkiss said that upon receiving the email requesting assistance, he suggested that the District see what it can do to help, to which Director of Operations and Field Services Frank Wolinski responded affirmatively and without hesitation. Mr. Hodgkiss thanked Messrs. Wolinski, Farris, Gangloff and Frey. The Board echoed appreciation for all involved and thanked Ms. Parks for her attendance and comments.

At this time, Ms. Parks, along with Messrs. Gangloff, Frey, and Parks, all left the meeting.

6. CONSENT CALENDAR

20-01-02 *Upon motion by Director Dorey, seconded by Director MacKenzie and unanimously carried (5 ayes: Miller, Dorey, Sanchez, MacKenzie, and Vásquez), the Board of Directors approved the Consent Calendar, including Resolution No. 20-01 approving disbursements.*

A. Minutes of Board of Directors meeting on December 18, 2019

The minutes of December 18, 2019 were approved as presented.

B. Resolution ratifying check disbursements

RESOLUTION NO. 20-01

BE IT RESOLVED, that the Board of Directors of Vista Irrigation District does hereby approve checks numbered 63362 through 63472 drawn on Union Bank totaling \$501,703.06.

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 8th day of January 2020.

7. DIVISION REPORTS

See staff report attached hereto.

Director of Water Resources Don Smith updated the Board regarding the Warner Springs Ranch Resort (WSRR) stating that he recently checked on the status of County of San Diego's review of the WSRR groundwater study and noted that there is nothing new to report.

DRAFT MINUTES

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President Vásquez inquired if the District has any plans to seek the assistance of private contractors to accelerate the District's main replacement program. Director of Engineering Randy Whitmann responded that considering the current bidding climate, the District would be inclined to wait until costs go down; at this time, District forces can perform the work at a lower cost. Mr. Whitmann stated that the next Nipponite main replacement project would be under construction soon in connection with a City of Vista park project located near the corner of Civic Center and Alta Vista drives.

8. INVESTMENT POLICY UPDATE

See staff report attached hereto.

Director of Administration Marlene Kelleher stated that the District's Investment Policy is reviewed annually to ensure compliance with any changes in the law and is prudent considering current investment conditions. She noted that staff proposed one revision, removing the five-year maturity limit on investments in U.S Government Bills, Notes, Bonds and Treasury Strips to provide the District with greater flexibility with its investment options in the future. She noted that while the District does not invest in anything for more than five years, staff is recommending this change in order to be consistent with what is becoming standard for public investing.

20-01-03	<p><i>Upon motion by Director Miller, seconded by Director Sanchez, the Board of Directors adopted Resolution 20-02 approving the District's investment policy, by the following roll call vote:</i></p> <p><i>AYES: Directors Miller, Vásquez, Dorey, Sanchez, and MacKenzie</i></p> <p><i>NOES: None</i></p> <p><i>ABSTAIN: None</i></p> <p><i>ABSENT: None</i></p> <p><i>A copy of Resolution 20-02 is on file in the official Resolution Book of the District.</i></p>
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9. CALL FOR NOMINATIONS TO THE SAN DIEGO LOCAL AGENCY FORMATION COMMISSION

See staff report attached hereto.

Following brief discussion, the Board took the following action:

20-01-04	<p><i>Upon motion by Director Miller, seconded by Director Dorey and unanimously carried (5 ayes: Miller, Dorey, Sanchez, MacKenzie, and Vásquez), the Board of Directors nominated Board member Jo MacKenzie for election to the San Diego Local Agency Formation Commission Special District Member position.</i></p>
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10. DISTRICT COMMITTEES AND REPRESENTATIVES TO OUTSIDE ORGANIZATIONS

See staff report attached hereto.

DRAFT MINUTES

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President Vásquez stated that after careful consideration he has decided to make the following appointments to the District's standing committees and to outside organizations for the 2020 calendar year.

Standing Committees

Water Sustainability: Director Sanchez (Chair) and President Vásquez
Fiscal Policy: President Vásquez (Chair) and Director Sanchez
Warner Ranch: Director MacKenzie (Chair) and Director Dorey
Public Affairs: Director Miller (Chair) and Director MacKenzie
Groundwater: Director Dorey (Chair) and Director Miller

Outside Organizations

San Luis Rey Watershed Council: Director Dorey; Jessica Sherwood (*Alternate*)
Association of California Water Agencies (ACWA), Joint Powers Insurance Authority: Director Dorey; Brett Hodgkiss (*Alternate*)
Southern California Water Coalition: Director Dorey; President Vásquez (*Alternate*)
Groundwater Resources Association: Director Dorey; President Vásquez (*Alternate*)

20-01-05 *Upon motion by Director MacKenzie, seconded by Director Dorey and unanimously carried (5 ayes: Miller, Dorey, Sanchez, MacKenzie, and Vásquez), the Board of Directors ratified President Vásquez's appointments to committees and outside organizations for 2020.*

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

See staff report attached hereto.

Director Miller stated that there was no regular Water Authority Board meeting in December 2019. He reported on a special board meeting that was held at the Water Authority on December 19 in which the General Manager of Metropolitan Water District of Southern California (MWD) Jeff Kightlinger presented the offer made by MWD to the Water Authority to settle the ongoing legal dispute between the two agencies. Director Miller stated that there was a lengthy discussion following Mr. Kightlinger's presentation and that the Water Authority had since made a counter-offer to MWD and is awaiting a response. He noted that the new Water Authority General Manager, Sandi Kerl, is meeting with all of the Water Authority Board members and has requested a meeting with him, which will likely take place at the District headquarters in the next week or so.

The Board briefly discussed the potential detachment of Fallbrook Public Utilities District (Fallbrook) and Rainbow Municipal Water District (Rainbow) from the Water Authority. It was noted that there is a difference of opinion regarding an "exit fee" for these two agencies to detach from the Water Authority. Another point of discussion and uncertainty is regarding who will be able to vote on the detachment, and how much it will cost the customers of remaining Water Authority member agencies.

12. MEETINGS AND EVENTS

See staff report attached hereto.

DRAFT MINUTES

Not part of the District's permanent record until approved by the Board of Directors.

Director MacKenzie requested to attend the San Diego Chapter, California Special Districts Association (CSDA) quarterly meeting on February 20, 2020 in Kearny Mesa. She advised that she will be unable to attend the ACWA Legislative Symposium and asked that her name be removed from the list.

Director MacKenzie stated that she was not appointed to the ACWA State Legislative Committee, but stated she would like authorization to attend its meetings in 2020 as her schedule permits. She advised that she will continue her participation in 2020 on a committee to review and recommend revisions related to the rules for the Local Agencies formation Commission protest votes contained in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

The Board discussed the upcoming State of the Community Luncheon presented by the Vista Chamber of Commerce on January 27 at the City of Vista Civic Center. The Board agreed that its presence at this event is important to show support for the community; all Board members requested authorization to attend.

President Vásquez requested that staff research the upcoming activities in the community such as Vista Chamber Sundowners.

20-01-06	<i>Upon motion by Director Dorey, seconded by Director Miller and unanimously carried (5 ayes: Miller, Dorey, Sanchez, MacKenzie, and Vásquez), the Board of Directors authorized the following attendances: Director MacKenzie to attend the San Diego Chapter, CSDA Quarterly Meeting on February 20, 2020 in Kearny Mesa and the ACWA Legislative Committee meetings throughout 2020 as her schedule permits; and all five Board members to attend State of the Community Luncheon in Vista on February 27, 2020.</i>
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13. ITEMS FOR FUTURE AGENDAS AND/OR PRESS RELEASES

See staff report attached hereto.

Mr. Hodgkiss stated that the Comprehensive Annual Financial Report/Fiscal Year 2019 Audit along with the Financial Report for the year ended June 30, 2019 would be presented at the next Board meeting on January 22, 2020. Mr. Hodgkiss stated that a report regarding the Southwestern Willow Flycatcher on District lands is also being planned for the January 22 Board meeting, adding that this is a follow up to an item the Board previously approved.

14. COMMENTS BY DIRECTORS

The Board members each reported on their ACWA Committee Appointments for 2020/21 as follows:

- Director Sanchez - Business Development Committee
- Director Miller - Energy Committee
- Director Dorey - Groundwater Committee
- Director MacKenzie - Membership Committee
- President Vásquez - Water Quality Committee

DRAFT MINUTES

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President Vásquez requested that staff obtain copies of the recently updated ACWA Outreach Handbook for any of the Board members who would like to have a copy.

15. COMMENTS BY GENERAL MANAGER

Mr. Hodgkiss informed the Board that the District was recently notified of a change to City of Vista paving requirements during the winter months; hot mix rather than cold mix would need to be used for patch paving from October through April. Mr. Hodgkiss stated that an amendment is being prepared to the District's agreement for paving services and that an increase to the total amount of the agreement is not warranted at this time.

Mr. Hodgkiss stated that the City of Vista will be conducting a street rehabilitation project in front the District headquarters in either January or February; he said that staff will let the Board know if these activities will be taking place during any of the upcoming Board meeting dates.

16. ADJOURNMENT

There being no further business to come before the Board, at 10:08 a.m. President Vásquez adjourned the meeting to January 22, 2020 at 9:00 a.m.

Richard L. Vásquez, President

ATTEST:

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



Cash Disbursement Report

Payment Dates 12/20/2019 - 1/8/2020

Payment Number	Payment Date	Vendor	Description	Amount
63473-63481	01/02/2020	Refund Checks 63473-63481	Customer Refunds	1,908.91
63482	01/02/2020	Refund Check 63482	Customer Refund	165.81
63483	01/02/2020	Active Auto Collision	Utility Box Damage - Truck 41	677.39
63484	01/02/2020	Ironwood Plumbing	Meter tie-backs - Montgomery Dr (6)	5,990.00
63485	01/02/2020	Airgas USA LLC	Cylinder Lease	56.06
	01/02/2020		Stainless Mig Gas & Welding Wire	680.67
63486	01/02/2020	Amazon Capital Services	Rain Covers (7)	155.82
	01/02/2020		5 Wheeled Cooler (2)	114.66
63487	01/02/2020	AT&T	3680/CALNET3 11/13/19-12/12/19 - Phones	388.30
	01/02/2020		0230/CALNET3 11/13-12/12/19 - Teleconference	5.71
63488	01/02/2020	Auto Specialist Warehouse	Brake Pads - Car 50	51.22
	01/02/2020		Brake Rotors - Car 50	59.34
63489	01/02/2020	Norco Trailers	4 x 8 Light Duty Dump Trailer - Final Payment	2,982.50
63490	01/02/2020	Basic pacific	Flexible Spending Service/COBRA 12/2019	257.40
63491	01/02/2020	Big Drip Plumbing	Meter Tie Backs - Osborne St (11)	10,000.00
63492	01/02/2020	Boot World Inc	Footwear Program	175.32
63493	01/02/2020	CDW Government Inc	Informacast Annual Renewal	2,142.50
	01/02/2020		McAfee Annual Renewal	3,792.00
63494	01/02/2020	Cecilia's Safety Service Inc	Traffic Control - York Dr/Montgomery Dr	760.00
	01/02/2020		Traffic Control - Sycamore Ave	1,615.00
	01/02/2020		Traffic Control - Montgomery Dr	3,230.00
	01/02/2020		Traffic Control - Mar Vista Dr/Miramar Dr	1,425.00
63495	01/02/2020	Coast Equipment Rentals	Concrete	221.91
63496	01/02/2020	Core & Main	Pipe 2" PVC Schedule 40 (40)	34.64
	01/02/2020		Ell 4" DI PO 45 Degree (2)	123.19
	01/02/2020		Sleeve 8"x12" Galvanized Top Sections (20)	185.32
	01/02/2020		Air Vent 2" ARI Combination Valve (9)	4,062.62
	01/02/2020		Tubing 1.5" Copper Soft 20' (40)	335.58
	01/02/2020		Coupling 2" Brass (14)	225.81
	01/02/2020		Brass Nipple 1" x CL (2)	5.51
	01/02/2020		Bushing 2.5" x 2" PVC Sch 90 (slip x slip) (10)	17.10
	01/02/2020		1" Brass Clamps (50)	138.02
63497	01/02/2020	County of San Diego	Permit Fees 11/2019 - Blackwell	814.50
	01/02/2020		Permit Fees 11/2019 - Osborne	597.30

Payment Number	Payment Date	Vendor	Description	Amount
	01/02/2020		Permit Fees 11/2019 - Montgomery	1,122.20
	01/02/2020		Permit Fees 11/2019 - Warmlands	687.80
	01/02/2020		Permit Fees 11/2019 - Hannalei	106.50
63498	01/02/2020	Diesel Pollution Solutions Inc	Bake & Clean Diesel Particulate Filter - Truck 51	259.00
63499	01/02/2020	Dion International Trucks, LLC - San Marcos	Sensor - Truck 28	544.04
	01/02/2020		EGR Cooler Hose - Truck 52	217.20
	01/02/2020		Replaced Forward Sensor - Truck 28	1,198.48
63500	01/02/2020	DIRECTV	Direct TV Service	94.99
63501	01/02/2020	Endre & Valerie Namenyl	Refund Lateral and Permit Fees	5,078.00
63502	01/02/2020	Ferguson Waterworks	Lid 8" Slotted Valve (115)	2,751.17
	01/02/2020		Air Vent Enclosure VCAS-1830 Granite Mix (3)	1,191.83
63503	01/02/2020	Glennie's Office Products Inc	Office Supplies	57.12
	01/02/2020		Office Supplies	16.24
63504	01/02/2020	Government Finance Officers Association	Membership Renewal	150.00
63505	01/02/2020	Grainger	Warehouse Supplies	110.94
63506	01/02/2020	Hach Company	Water Quality Supplies	4,153.22
	01/02/2020		Turbidimeters, Key Pads	3,248.98
63507	01/02/2020	Itron Inc	Hardware & Software Maintenance 2020	9,701.06
63508	01/02/2020	John Rauch	Reimburse D4 Certification	105.00
63509	01/02/2020	Johnson Controls Fire Protection LP	Fire Sprinkler Maintenance & Inspection	1,124.00
63510	01/02/2020	Ken Grody Ford Carlsbad	Battery Holder - Truck 13	10.25
	01/02/2020		Kick Panel	40.23
63511	01/02/2020	Leon Perrault Trucking & Materials	Trucking & Material 11/2019	8,150.00
63512	01/02/2020	Liebert Cassidy Whitmore	Legal Services 11/2019	2,041.30
	01/02/2020		Legal Services 11/2019	768.50
63513	01/02/2020	Lightning Messenger Express	Messenger Service 12/13/19	52.50
63514	01/02/2020	NAPA Auto Parts	Radiator Hoses (3)	92.52
	01/02/2020		Battery Box	15.69
63515	01/02/2020	Networks 2000	3 Year Next Day Response Warranty - 2 Servers	1,605.48
63516	01/02/2020	North County Auto Parts	Oil Filter - Car 50	3.56
	01/02/2020		Turn Rotors (2) - Truck 29	45.00
	01/02/2020		Filters (4)	25.25
63517	01/02/2020	North County Industrial Park	Association Fee 01/2020	879.30
63518	01/02/2020	One Source Distributors	Emergency Stop Push Button & Legend Plate	165.01
63519	01/02/2020	O'Reilly Auto Parts	Batteries (2)	90.45
	01/02/2020		Battery Cores (2)	(30.00)
	01/02/2020		Batteries (2)	90.45
	01/02/2020		Batteries (2) - Trucks 10 & 46	312.42
	01/02/2020		Battery Cores (2)	(36.00)

Payment Number	Payment Date	Vendor	Description	Amount
	01/02/2020		Battery Cores (2)	(30.00)
63520	01/02/2020	Oscar Chavez	Computer Loan Program 12/2019	1,500.00
63521	01/02/2020	Pacific Pipeline Supply	3/4" x 1" Meter Bushing Ford (#A34-NL) (20)	205.68
63522	01/02/2020	Parkhouse Tire Inc	Tires - T22 (6)	1,999.67
	01/02/2020		Tires - Truck 3 (2)	359.22
	01/02/2020		Tires - Truck 3 (2)	500.12
63523	01/02/2020	Phenova Inc	Proficiency Tests for Lab Accreditation Program	516.15
63524	01/02/2020	Ramco Petroleum	Fuel 11/2019	1,014.46
63525	01/02/2020	Red Wing Shoe Store	Footwear Program	241.77
63526	01/02/2020	Richard Brady & Associates, Inc	HB Reservoir Rehabilitation 11/2019	392,511.91
63527	01/02/2020	Rutan & Tucker LLP	Legal 11/2019	3,103.20
63528	01/02/2020	San Diego Gas & Electric	Electric 12/2019 - Henshaw Buildings & Grounds	425.15
	01/02/2020		Electric 12/2019 - Henshaw Wellfield	11,179.87
	01/02/2020		Electric 12/2019 - Dam House	66.35
	01/02/2020		Electric 11/19 - Cathodic Protection & T&D	227.88
	01/02/2020		Electric 11/19 - Reservoirs	106.15
	01/02/2020		Electric 11/19 - Pump Stations	9,905.86
	01/02/2020		Electric 11/19 - Plants	111.11
63529	01/02/2020	Shallako Goodrick	Reimburse CPA License Renewal	250.00
63530	01/02/2020	Southern Counties Lubricants, LLC	Fuel 12/01/19 - 12/15/19	4,133.02
63531	01/02/2020	State Water Resources Control Board	SWRCB System Fee 07/01/19 - 06/30/20	62,608.61
63532	01/02/2020	TS Industrial Supply	4" Paint Brush (35)	84.49
	01/02/2020		QB2 Earplug (Banded) # 3301280 (10)	67.66
	01/02/2020		Wire Brush Small (15)	39.78
	01/02/2020		2" Paint Brush (24)	13.51
	01/02/2020		Metal Cutting Wheel Type 27 (20)	87.25
	01/02/2020		Max Earplug (Uncorded) # Max 1 (200)	31.93
63533	01/02/2020	UniFirst Corporation	Uniform Service	358.74
63534	01/02/2020	Verizon Wireless	Air Cards 11/13/19 - 12/12/19	76.02
	01/02/2020		Cell Phones 11/16/19 - 12/15/19	1,332.08
63535	01/02/2020	VG Donuts & Bakery Inc	Board Meeting 12/18/19	136.35
63536	01/02/2020	Vista Brake & Smog	Tires (2) - Truck 43	353.98
	01/02/2020		Tires (4) - Truck 45	809.14
63537	01/02/2020	Vista Chamber of Commerce	Membership Renewal 2020	925.00
63538	01/02/2020	Vulcan Materials Company and Affiliates	Cold Mix	2,018.48
63539-63540	01/08/2020	Refund Checks 63539-63540	Customer Refunds	5,164.00
63541	01/08/2020	Amazon Capital Services	Diodes (4)	53.70
63542	01/08/2020	Association of State Dam Safety Officials Inc	Membership Renewal	55.00
63543	01/08/2020	AT&T	SIP Trunks	433.01

Payment Number	Payment Date	Vendor	Description	Amount
	01/08/2020		Data Service	698.93
63544	01/08/2020	Auto Specialist Warehouse	Brake Pads - Truck 46	44.82
63545	01/08/2020	Boot World Inc	Footwear Program	100.00
63546	01/08/2020	California Department of Tax and Fee Administration	E-Waste Return 12/2019	6.00
63547	01/08/2020	California Department of Tax and Fee Administration	Dec '19 Use Tax Return	52.00
63548	01/08/2020	Cardiac Science Corporation	Battery for AED	64.95
63549	01/08/2020	Cecilia's Safety Service Inc	Traffic Control - Monte Vista Dr	1,045.00
	01/08/2020		Traffic Control - Montgomery Dr	4,750.00
	01/08/2020		Traffic Control - Sycamore Ave	1,425.00
	01/08/2020		Traffic Control - Bonair Rd	807.50
	01/08/2020		Traffic Control - Mar Vista Dr	665.00
63550	01/08/2020	Citi Cards	CAPPO Conference	405.00
	01/08/2020		Kitchen & Building Supplies	1,082.44
	01/08/2020		Ticket Tracking System Add-on	5.00
	01/08/2020		GFI FaxMaker Online Service	12.75
	01/08/2020		Employment Advertising - Engineering Specialist	100.00
	01/08/2020		Employment Advertising - Welder/Equipment Operator	200.00
	01/08/2020		Employment Advertising - Construction Worker	200.00
	01/08/2020		Let's Talk Safety 2020 PDF	71.00
	01/08/2020		2019 Employee Event- Bekkers Catering	1,687.97
	01/08/2020		Refreshments for Training & Employee Event	126.43
	01/08/2020		ACWA Conference - R Vasquez	707.34
	01/08/2020		ACWA Conference - P Dorey	943.12
	01/08/2020		ACWA Conference - M Miller	707.34
63551	01/08/2020	Conant Properties XI, LP	Refund Deposit Fees	19,777.00
63552	01/08/2020	Core & Main	Poly Tubing Insert Stiffeners (10)	24.35
	01/08/2020		Meter Bushing 3/4" x 1" (10)	113.01
	01/08/2020		Flange 6" SOW 8-hole (10)	240.86
	01/08/2020		Nut Bolt Gasket Kit 6" (20)	151.55
	01/08/2020		Ell 6" DI POxFL 22.5 Degree (1)	80.10
	01/08/2020		Air Vent 4" ARI Combination Valve (2)	3,474.83
	01/08/2020		Sleeve 8"x12" Galvanized Top Sections (20)	185.32
	01/08/2020		Fire Hydrant LB400 Check Valve (2)	2,851.32
	01/08/2020		Clamp 1x3 Repair Full Circle Copper Romac (1)	23.76
	01/08/2020		Clamp 1x3 Repair Full Circle Orangeburg Romac (1)	36.53
63553	01/08/2020	Diamond Environmental Services	Portable Restroom Service	114.70
	01/08/2020		Portable Restroom Service	81.14
	01/08/2020		Portable & Stationary Restroom Service	339.20
63554	01/08/2020	Diesel Pollution Solutions Inc	Diesel Particulate Filter Cleaning - Truck 11	454.14

Payment Number	Payment Date	Vendor	Description	Amount
63555	01/08/2020	Direct Energy	Electric 12/2019 - VID	5.72
	01/08/2020		Electric 12/2019 - Henshaw Buildings & Grounds	195.10
	01/08/2020		Electric 12/2019 - Henshaw Well Field	539.04
	01/08/2020		Electric 12/2019 - T & D / Cathodic Protection	19.95
	01/08/2020		Electric 12/2019 - Reservoirs	3.19
	01/08/2020		Electric 12/2019 - Pump Stations	486.49
	01/08/2020		Electric 12/2019 - Treatment Plants	2.15
63556	01/08/2020	Dudek	E Reservoir Replacement & Pump Station 11/2019	45,113.59
63557	01/08/2020	EDCO Waste & Recycling Services Inc	Trash & Recycle Service 12/2019	225.99
63558	01/08/2020	Eurofins Eaton Analytical Inc	Henshaw Well Samples	15.00
63559	01/08/2020	Ferguson Waterworks	Flange 3" SOW (3)	30.53
	01/08/2020		Bushing 2x1 Brass (5)	50.34
	01/08/2020		Tubing 1.5" Copper Soft 20' (20)	180.78
	01/08/2020		Fire Hydrant Spool 6x12 DI (2)	192.04
	01/08/2020		Flange 4" Companion (1)	25.11
	01/08/2020		Adapter FH Brass 2.5"x2" (2)	33.02
	01/08/2020		Ell 6"x16" POxFL Bury DI (3)	834.28
	01/08/2020		Tubing 1" Copper Soft 60' (360)	1,461.38
	01/08/2020		Gate Valve 4" FL R/W (4)	1,958.89
	01/08/2020		Service Saddle 8x1 Brass AC (5)	661.41
	01/08/2020		Ell 6" DI PO 45 Degree (3)	261.42
	01/08/2020		Fire Hydrant LB400 Check Valve (4)	5,992.72
	01/08/2020		Flange 6" SOW 8-hole (12)	252.01
	01/08/2020		Pipe 4" PVC DR-14 C900 (20)	63.87
	01/08/2020		Nut Bolt Gasket Kit 4" (4" gasket) (15)	66.57
	01/08/2020		Nut Bolt Gasket Kit 6" (20)	149.39
	01/08/2020		Pipe 6" PVC DR-14 C900 (60)	386.45
	01/08/2020		Coupling 6" Macro (20)	5,105.07
63560	01/08/2020	FMLASource	FMLA Program 2/1/2020 - 1/31/2021	1,890.00
63561	01/08/2020	D.H. Maintenance Services	Carpet Cleaning	265.00
63562	01/08/2020	Glennie's Office Products Inc	Office Supplies	101.21
	01/08/2020		Office Supplies	545.05
63563	01/08/2020	Greg Keppler	Reimburse - Professional Engineer Renewal Fee	172.50
63564	01/08/2020	HELIX Environmental Planning, Inc	Warner Ranch Ditch Project 12/2019	1,495.00
63565	01/08/2020	Home Depot Credit Services	Batteries for Portable Tools	135.30
	01/08/2020		Plywood	25.10
	01/08/2020		Christmas Decorations	281.75
	01/08/2020		Irrigation Valve Box	11.65
	01/08/2020		PVC Ball Valve	3.39

Payment Number	Payment Date	Vendor	Description	Amount
	01/08/2020		Shop Vac Filters, Cable Crimps	29.14
	01/08/2020		Plywood	15.89
	01/08/2020		Lumber, Screws	40.81
	01/08/2020		Light Fixtures for Dam House	163.97
	01/08/2020		Shower Framing Material for Dam House	186.13
	01/08/2020		Material for Dam House	431.66
	01/08/2020		Flooring for Dam House	404.64
	01/08/2020		Casing Set	(29.19)
	01/08/2020		Pvc Pipe & Caps	28.07
	01/08/2020		Hex Key Set, Rakes	70.29
	01/08/2020		Electrical Maintenance Supplies	130.28
	01/08/2020		Parts for Site Lighting	137.51
	01/08/2020		Poinsettias for Employee Event	83.11
	01/08/2020		Concrete 60lb bag (112)	436.40
63566	01/08/2020	IDEXX Distribution Corporation	Bac-T Bottles	172.59
63567	01/08/2020	Ken Grody Ford Carlsbad	Fuel Pump - Truck 66	447.26
63568	01/08/2020	Kimball Midwest	Hardware for Garage	168.83
63569	01/08/2020	Major League Pest	Pest Control	225.00
63570	01/08/2020	Mission Resource Conservation District	Home Water Use Evaluation 12/2019 (1)	44.50
63571	01/08/2020	Moodys	Dump Fee (1)	200.00
	01/08/2020		Dump Fees (2)	400.00
63572	01/08/2020	Mutual of Omaha	LTD/STD/Life Insurance 01/2020	6,606.37
63573	01/08/2020	North County Auto Parts	Brake Fluid, Degreaser, Protectant, Glass Cleaner	47.33
63574	01/08/2020	O'Reilly Auto Parts	Battery - Truck 10	107.63
	01/08/2020		Breakaway Battery	45.23
63575	01/08/2020	Pacific Pipeline Supply	Copper Coupling (1)	57.75
	01/08/2020		Angle Stops (3)	226.38
63576	01/08/2020	Patrick Sanchez	Reimburse - ACWA Conference & CRWUA	1,234.00
63577	01/08/2020	Benetrac	Employee Benefits Tracking 01/2020	400.00
63578	01/08/2020	Paychex of New York LLC	Onboarding/Recruitment 01/2020	412.50
63579	01/08/2020	Ramona Disposal Service	Trash Service 12/2019	167.50
63580	01/08/2020	Red Wing Shoe Store	Footwear Program	220.86
63581	01/08/2020	Rincon del Diablo MWD	MD Reservoir Water Service 12/2019	158.28
63582	01/08/2020	S & R Towing	Towing Service - B23	398.40
63583	01/08/2020	San Diego Gas & Electric	Gas Use 12/2019	1,106.25
	01/08/2020		Electric 12/2019 (Revised) - Henshaw	367.32
	01/08/2020		Electrical Transmission 12/2019	4,402.51
	01/08/2020		Electric 12/2019 - Warner Ranch House	45.85
	01/08/2020		Electric 12/2019 - T&D	104.34

Payment Number	Payment Date	Vendor	Description	Amount
	01/08/2020		Electric 12/2019 - Reservoirs	48.34
63584	01/08/2020	Save Our Heritage Organisation	WCRH Quarterly O&M Contribution 01/2020-03/2020	3,000.00
63585	01/08/2020	Sealright Paving Inc.	Warmlands Ave - Striping	4,656.75
	01/08/2020		Warmlands Ave - Striping	245.09
63586	01/08/2020	Shred-it USA LLC	Monthly Shredding Service	124.75
63587	01/08/2020	Sunrise Materials Inc	Rock Bags (70)	286.86
	01/08/2020		Waddles, Stakes	415.68
	01/08/2020		Concrete Blocks (2)	3.44
63588	01/08/2020	Tom's Adventures LLC	Refund Construction Meter Deposit	207.14
63589	01/08/2020	Totalfunds	Postage Machine Refill	2,500.00
63590	01/08/2020	TS Industrial Supply	Gloves Thickster Nitrile LG 100 per box (12)	181.21
	01/08/2020		Shovel Spade (2)	107.71
	01/08/2020		Cutter 7" Hand Cutter Wire (2)	35.07
	01/08/2020		Plier 8" Long Nose (1)	16.21
	01/08/2020		Teflon Tape 1" (20)	23.60
	01/08/2020		Teflon Tape .5" (20)	12.56
	01/08/2020		Striping Paint Asphalt Black #770 (24)	124.18
	01/08/2020		Marking Paint Blue #203 (12)	48.58
	01/08/2020		Marking Paint White #207 (12)	48.58
	01/08/2020		Rag Box #S50250 (1)	47.09
	01/08/2020		Fire Hydrant Adapter 2.5" Washers (20)	41.78
63591	01/08/2020	UniFirst Corporation	Uniform Service	359.40
63592	01/08/2020	Vista Fence Company Inc	Fencing - Daley Bench East	3,646.00
63593	01/08/2020	Vista Lock & Safe Co	Key Copies	20.86
Grand Total:				741,800.21



STAFF REPORT

Agenda Item: 7

Board Meeting Date:	January 22, 2020
Prepared By:	Shallako Goodrick
Reviewed By:	Marlene Kelleher
Approved By:	Brett Hodgkiss

SUBJECT: FISCAL YEAR 2019 AUDIT

RECOMMENDATION: Accept the Fiscal year 2019 audit report by White Nelson Diehl Evans LLP.

PRIOR BOARD ACTION: None.

FISCAL IMPACT: None by this action. The fees for Fiscal Year 2019 audit services are \$24,650.

SUMMARY: The District's independent auditors, White Nelson Diehl Evans LLP, are issuing an unmodified opinion on the District's Financial Section in the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. 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. 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 the 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, 2019
- Summary of Audit Results Letter for the year ended June 30, 2019
- Management Letter for the year ended June 30, 2019
- Best Practices Letter for the year ended June 30, 2019



2019

**Comprehensive Annual
Financial Report
Fiscal Years Ended June 30, 2019 and
June 30, 2018**

Prepared by:

*The Finance Department
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
For Fiscal Years Ended June 30, 2019 and 2018
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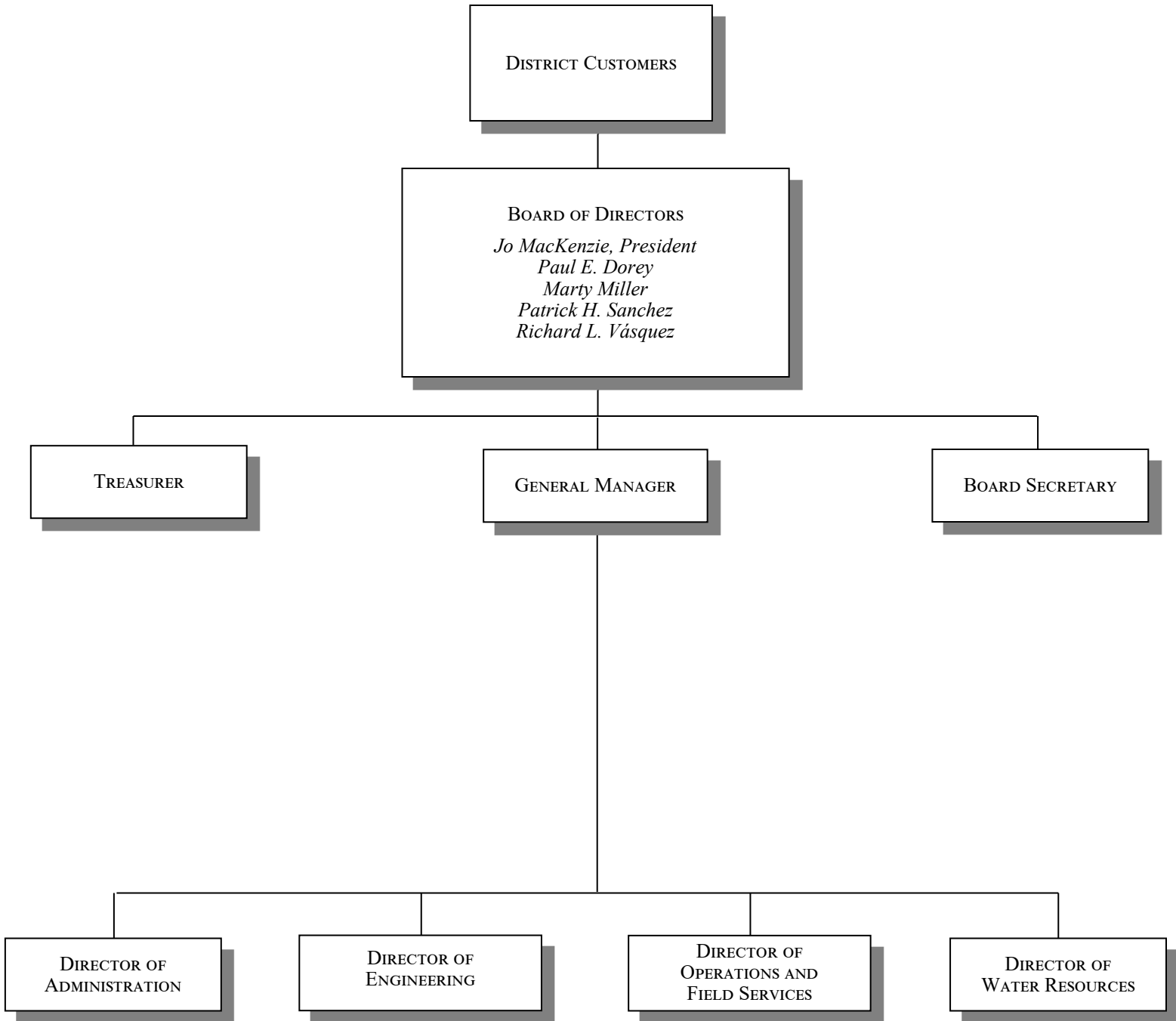
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Introductory Section



Organization Chart





1391 Engineer Street • Vista, California 92081-8840

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

www.vidwater.org

Board of Directors

Jo MacKenzie, *President*

Paul E. Dorey

Marty Miller

Patrick H. Sanchez

Richard L. Vásquez

Administrative Staff

Brett L. Hodgkiss

General Manager

Lisa R. Soto

Board Secretary

David B. Cosgrove

General Counsel

December 3, 2019

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, 2019. 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, 2019, 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, 2019, 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 33-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 21,152 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 budgets a staff of 89 under the direction of the Board-appointed General Manager.

Water Services

The District serves more than 28,700 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 15,500 acre feet of water annually to its customers.

The water system operates over 429 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 136,772 as of fiscal year 2019. 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 34.9 years and the per capita personal income of residents in the City of Vista, which encompasses the majority of the District, was \$43,203. From 2009 to 2019 the population increased 10.9%, and median household income (adjusted for inflation) increased by 3.7%.

The demand for new connections increased, with the District's total service connections increasing in fiscal year 2019 from 28,688 connections to 28,780. Water sales for fiscal year 2019 were 15,484 acre feet, down 1,453 acre feet or 8.6% from sales of 16,937 in fiscal year 2018. Of the 15,484 acre feet, or 5.0 billion gallons sold in fiscal year 2019, 70% was distributed for residential use, 11% for industrial and commercial use, 12% for landscape irrigation use, 5% 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 \$29.6 million to the program which has allowed the replacement of nearly 34.25 miles of older pipe ranging in size from 4 to 20 inches. The Board approved another \$2.5 million for this program as part of the capital improvement program for fiscal year 2020.

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, 2018. 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.

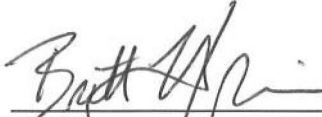
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

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,



Brett Hodgkiss
General Manager



Marlene Kelleher
Treasurer/ Director of Administration



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, 2018

Christopher P. Morill

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, 2019 and 2018, 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 audits in accordance with 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. 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 risk 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, 2019 and 2018, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedules of Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date, the Schedules of Contributions - Pension Plans, the Schedules of Changes in the Net OPEB Liability and Related Ratios, the Schedules of Contributions - OPEB, as identified as Required Supplementary Information (RSI) 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 RSI 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 3, 2019, 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 Nick Evans LLP

Carlsbad, California
December 3, 2019

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**VISTA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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, 2019. 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 include 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:

- 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, 2019 AND 2018**

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

Fiscal Year 2019

- Overall, operating revenues and expenses decreased by 2.7% due a decrease in water demand of 4.1% and the resulting decrease in the purchase of water due to rain.
- The District recorded a \$3.6 million gain on sale of a 3.96 acre vacant lot owned by the District.

Fiscal Year 2018

- Overall, operating revenues increased 7.0%, while operating expenses increased 1.0%.
- The District realized a \$5.3 million operating gain during fiscal year 2018 primarily due to increased water sales and higher water rates. Costs of purchased water were lower in the fiscal year, due to less imported water activity, as a result of increased availability of local water.
- The District recorded a \$1.0 million prior period adjustment to increase the June 30, 2017 net position balance, as a result of an unbilled revenue accrual adjustment.
- The District implemented GASB Statement No. 75 during the fiscal year, which required the establishment of other post-employment benefits (OPEB) liability, deferred outflows/inflows of resources, and retiree health insurance expense according to the Statement's provisions. This resulted in a \$4.8 million prior period adjustment to decrease the June 30, 2017 net position balance, as well as the recording of \$0.5 million in net OPEB liability.

**VISTA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

Financial Analysis of the District

Net Position - The District's overall net position increased \$11.7 million between fiscal years 2018 and 2019, from \$112.7 to \$124.4 million, primarily due to operating revenue of \$5.1 and a \$3.6 million gain on the sale of vacant land. The District's overall net position increased \$7.4 million between fiscal years 2017 and 2018, from \$105.3 to \$112.7 million, primarily due to increased water sales. The investment in capital assets increased \$3.2 million in 2019 and \$4.7 million in 2018, which reflect the excess of net capital additions over the current year depreciation and dispositions.

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

	<u>2019</u>	<u>2018</u>	<u>2017 Restated</u>
Current assets	\$ 48.5	\$ 43.2	\$ 34.8
Capital assets	97.8	94.6	89.9
Total Assets	<u>146.3</u>	<u>137.8</u>	<u>124.7</u>
Deferred outflows of resources	<u>5.0</u>	<u>6.8</u>	<u>5.7</u>
Current liabilities	9.6	13.2	8.9
Noncurrent liabilities	16.2	17.1	14.9
Total Liabilities	<u>25.8</u>	<u>30.3</u>	<u>23.8</u>
Deferred inflows of resources	<u>1.1</u>	<u>1.6</u>	<u>1.3</u>
Net Position:			
Investment in capital assets	97.8	94.6	89.9
Unrestricted	26.6	18.1	15.4
Total Net Position	<u>\$ 124.4</u>	<u>\$ 112.7</u>	<u>\$ 105.3</u>

**VISTA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

Change in Net Position – In fiscal year 2019, the District's operating revenues decreased by 2.7% to \$50.4 million, and 94.8% 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 higher rainfall in the current year. In fiscal year 2018, the District's operating revenues increased by 7.0% to \$51.8 million, and 96.1% 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.

During fiscal year 2019, the District's operating expenses decreased 2.7% to \$45.3 million primarily due to purchasing less imported water, along with a decrease in pension expense as a result of GASB 68 valuations, and an increase in water treatment plant costs. During fiscal year 2018, the District's operating expenses increased 1.0% to \$46.5 million primarily due to an increase in pension expense, as a result of GASB 68 valuations, and the annual payment of the PERS unfunded liability, along with an increase in contractual services relating to water treatment plant expenses.

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

	<u>2019</u>	<u>2018</u>	<u>2017 Restated Water Sales</u>
Operating Revenues			
Water sales, net	\$ 47.8	\$ 49.8	\$ 45.9
System fees	1.2	0.7	1.0
Property rentals	0.8	0.8	0.8
Other services	0.6	0.5	0.7
Total Operating Revenues	<u>50.4</u>	<u>51.8</u>	<u>48.4</u>
Operating Expenses	<u>45.3</u>	<u>46.5</u>	<u>46.1</u>
Operating Income	<u>5.1</u>	<u>5.3</u>	<u>2.3</u>
Nonoperating Revenues (Expenses)			
Gain (Loss) on disposal of capital	3.7	-	(0.1)
Investment income	0.9	0.3	0.2
Property taxes	0.5	0.5	0.4
Legal settlement	-	-	(0.1)
Total Nonoperating Revenues	<u>5.1</u>	<u>0.8</u>	<u>0.4</u>
Contributed Capital	<u>1.5</u>	<u>1.3</u>	<u>1.2</u>
Changes in Net Position	11.7	7.4	3.9
Total Net Position - beginning	112.7	110.1	106.2
Prior Period Adjustment	<u>-</u>	<u>(4.8)</u>	<u>-</u>
Total Net Position - ending	<u>\$ 124.4</u>	<u>\$ 112.7</u>	<u>\$ 110.1</u>

**VISTA IRRIGATION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

Capital Assets

At June 30, 2019, the District had invested \$188.4 million in capital assets with \$90.6 million in accumulated depreciation. Net capital assets increased \$3.2 million as a result of capital acquisitions exceeding the annual depreciation and dispositions. During the year the District added \$6.9 million of capital assets. The largest capital additions were \$3.2 million in costs for several mainline replacement projects, \$0.6 million for reservoir rehabilitation, \$0.6 million for redevelopment project costs, and \$0.2 million for pressure regulating station costs. This year’s capital reductions included the sale of a 3.96 acre unused lot, vehicles, computer equipment, replacement/disposals of pipelines, and other capital assets with a total historical cost of \$1.3 million. Depreciation for the year was \$3.2 million.

At June 30, 2018, the District had invested \$182.8 million in capital assets with \$88.1 million in accumulated depreciation. Net capital assets increased \$4.7 million as a result of capital acquisitions exceeding the annual depreciation and dispositions. During the year the District added \$7.7 million of capital assets. The largest capital additions were \$2.9 million in costs for several mainline replacement projects, \$1.9 million for reservoir rehabilitation, \$0.6 million for redevelopment project costs, and \$0.3 million for water treatment plant construction costs. The capital reductions for that year included vehicles, replacement/disposals of pipelines, reservoir-related assets, computer equipment, pump station assets, and other equipment with a total historical cost of \$0.5 million. Depreciation for the year was \$3.0 million.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Land, franchises and water rights	\$ 5.4	\$ 6.0	\$ 6.0
Buildings, canals, pipelines, reservoirs and dams	86.7	83.7	76.1
Equipment	2.7	2.1	1.8
Henshaw pumping project	0.3	0.4	0.4
Construction in progress	<u>2.7</u>	<u>2.4</u>	<u>5.6</u>
Total Capital Assets, Net	<u>\$ 97.8</u>	<u>\$ 94.6</u>	<u>\$ 89.9</u>

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

Long-term Debt

At June 30, 2019, the District had no debt and has no immediate need to issue debt.

**VISTA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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, 2019 AND 2018**

	2019	2018
Assets		
Current Assets:		
Cash and cash equivalents (notes 1 and 2)	\$ 20,187,502	\$ 17,875,700
Investments (notes 1 and 2)	19,304,648	15,813,532
Accounts receivable, net (notes 1 and 3)	7,984,633	8,684,502
Taxes receivable	32,242	24,115
Accrued interest receivable	38,582	25,973
Inventories of materials and supplies	612,666	414,217
Prepaid expenses and other current assets	288,438	351,736
Total Current Assets	48,448,711	43,189,775
Noncurrent Assets:		
Capital assets: (notes 1 and 4)		
Depreciable assets, net of accumulated depreciation:		
Buildings, canals, pipelines, reservoirs and dams	86,678,221	83,740,622
Equipment	2,684,068	2,133,269
Henshaw pumping project	341,162	373,808
Nondepreciable assets:		
Land, franchises and water rights	5,453,295	6,001,127
Construction in progress	2,693,197	2,397,003
Total capital assets	97,849,943	94,645,829
Total Noncurrent Assets	97,849,943	94,645,829
Total Assets	146,298,654	137,835,604
Deferred Outflows of Resources		
Pension related (notes 1 and 6)	4,926,365	6,704,199
Other post-employment benefits (OPEB) related (notes 1 and 7)	101,590	94,646
Total Deferred Outflows of Resources	5,027,955	6,798,845

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

(Continued)

**VISTA IRRIGATION DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Liabilities		
Current Liabilities:		
Accounts payable (note 5)	\$ 6,456,917	\$ 10,755,722
Deposits	1,255,451	320,715
Compensated absences, current portion	405,613	422,900
Accrued expenses and other liabilities	<u>1,541,549</u>	<u>1,730,192</u>
Total Current Liabilities	<u>9,659,530</u>	<u>13,229,529</u>
Noncurrent Liabilities:		
Compensated absences, long-term portion	817,213	919,555
Net pension liability (notes 1 and 6)	14,791,100	15,622,668
Net OPEB liability (notes 1 and 7)	<u>587,748</u>	<u>547,421</u>
Total Noncurrent Liabilities	<u>16,196,061</u>	<u>17,089,644</u>
Total Liabilities	<u>25,855,591</u>	<u>30,319,173</u>
Deferred Inflows of Resources		
Pension related (notes 1 and 6)	908,670	1,440,845
OPEB related (notes 1 and 7)	<u>159,543</u>	<u>143,990</u>
Total Deferred Inflows of Resources	<u>1,068,213</u>	<u>1,584,835</u>
Net Position		
Investment in capital assets	97,849,943	94,645,829
Unrestricted (note 9)	<u>26,552,862</u>	<u>18,084,612</u>
Total Net Position	<u>\$ 124,402,805</u>	<u>\$ 112,730,441</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, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Operating Revenues		
Water sales, net (notes 1 and 3)	\$ 47,799,794	\$ 49,802,101
System fees	1,225,043	731,240
Property rentals	807,180	823,871
Other services	569,180	451,600
Total Operating Revenues	<u>50,401,197</u>	<u>51,808,812</u>
Operating Expenses		
Purchased water	21,287,616	22,569,140
Wages and benefits	13,591,552	14,461,797
Contractual services	5,240,188	4,292,413
Depreciation	3,157,173	2,968,997
Supplies	1,359,577	1,531,232
Professional fees	596,320	603,257
Office and general	536,420	557,713
Power	466,694	405,854
Insurance	385,026	543,145
Communications	51,755	53,326
Burden allocation	(1,363,958)	(1,433,392)
Total Operating Expenses	<u>45,308,363</u>	<u>46,553,482</u>
Operating Income	<u>5,092,834</u>	<u>5,255,330</u>
Nonoperating Revenues		
Gain on disposal of capital assets	3,722,423	19,210
Investment income	859,164	346,063
Property taxes	487,062	450,512
Federal and state assistance	49,198	-
Total Nonoperating Revenues	<u>5,117,847</u>	<u>815,785</u>
Income Before Contributed Capital	10,210,681	6,071,115
Contributed Capital	<u>1,461,683</u>	<u>1,315,564</u>
Changes in Net Position	11,672,364	7,386,679
Total Net Position - beginning	<u>112,730,441</u>	<u>105,343,762</u>
Total Net Position - ending	<u>\$ 124,402,805</u>	<u>\$ 112,730,441</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, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities		
Receipts from customers	\$ 51,101,066	\$ 51,176,606
Payments to suppliers	(38,243,041)	(29,497,768)
Payments to employees	(8,187,350)	(7,966,492)
Collection of deposits	1,506,511	753,130
Return of deposits	(571,775)	(1,066,649)
Receipts from others	49,198	-
Net Cash Provided by Operating Activities	<u>5,654,609</u>	<u>13,398,827</u>
Cash Flows From Noncapital Financing Activities		
Receipts from property taxes	478,935	462,742
Net Cash Provided by Noncapital Financing Activities	<u>478,935</u>	<u>462,742</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds from disposal of capital assets	4,296,785	31,971
Acquisition and construction of capital assets	<u>(5,473,966)</u>	<u>(6,387,190)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(1,177,181)</u>	<u>(6,355,219)</u>
Cash Flows From Investing Activities		
Proceeds from maturities of investments	16,000,000	18,000,000
Interest on cash and investments	377,083	119,959
Purchase of investments	<u>(19,021,644)</u>	<u>(15,710,569)</u>
Net Cash Provided (Used) by Investing Activities	<u>(2,644,561)</u>	<u>2,409,390</u>
Net Increase in Cash and Cash Equivalents	2,311,802	9,915,740
Cash and Cash Equivalents - beginning	<u>17,875,700</u>	<u>7,959,960</u>
Cash and Cash Equivalents - ending	<u>\$ 20,187,502</u>	<u>\$ 17,875,700</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, 2019 AND 2018**

	2019	2018
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ 5,092,834	\$ 5,255,330
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,157,173	2,968,997
Federal and state assistance	49,198	-
 Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:		
Accounts receivable, net	699,869	(632,206)
Inventories of materials and supplies	(198,449)	104,316
Prepaid expenses and other assets	63,298	(1,787)
Deferred outflows of resources	1,770,890	(1,102,248)
Accounts payable	(4,298,805)	3,613,832
Deposits	934,736	(313,519)
Accrued expenses and other liabilities	(188,643)	1,049,756
Compensated absences	(119,629)	(90,719)
Net pension liability	(831,568)	2,696,402
Net OPEB liability	40,327	(479,250)
Deferred inflows of resources	(516,622)	329,923
Net Cash Provided by Operating Activities	\$ 5,654,609	\$ 13,398,827
 Noncash Investing, Capital and Financing Activities		
Contributed capital assets	\$ 1,461,683	\$ 1,315,564
Increase in fair value of investments	\$ 469,473	\$ 209,230

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

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 21,152 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, 2019 AND 2018**

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 statements 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, 2019 AND 2018**

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, 2019 and 2018 total compensated absences were \$1,222,826, and \$1,342,455, respectively.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

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, 2017
Measurement Date (MD)	June 30, 2018
Measurement Period (MP)	July 1, 2017 to June 30, 2018

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the District's OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

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 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.
- 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.
- Deferred outflows related to OPEB. This amount is equal to employer contributions made after the measurement date of the net pension liability.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

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

Deferred Outflows/Inflows of Resources (Continued)

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.
- 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.
- Deferred inflows related to OPEB resulting from the difference in projected and actual earnings on investments of the OPEB plan fiduciary net position. This amount is amortized over five years.

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.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

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

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. The District has no outstanding debt at June 30, 2019 and 2018.
- 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 Statement 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.

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.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

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

Risk Management (Continued)

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

Property Loss - Insured up to \$500,000,000 per occurrence (total insurable value \$32,649,149) 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; the Authority is self-insured.

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.

Cyber Liability - Insured up to \$3,000,000 per occurrence/\$5,000,000 aggregate with \$50,000 deductible.

Workers' Compensation (WC) and Employer's Liability (EL) – Insured up to statutory limits per occurrence for WC and up to \$4,000,000 for EL. The Authority is self-insured up to \$2,000,000 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, 2019 AND 2018**

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

New Accounting Pronouncements

GASB Current Year Standards

GASB 83 - “Certain Asset Retirement Obligations”, effective for periods beginning after June 15, 2018, and did not impact the District.

GASB 88 - “Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements”, effective for periods beginning after June 15, 2018, 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 84 - “Fiduciary Activities”, effective for periods beginning after December 15, 2018.
- GASB 87 - “Leases”, effective for periods beginning after December 15, 2019.
- GASB 89 - “Accounting for Interest Cost Incurred before the End of a Construction Period”, effective for periods beginning after December 15, 2019.
- GASB 90 - “Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61”, effective for periods beginning after December 15, 2018.
- GASB 91 - “Conduit Debt Obligations”, effective for periods beginning after December 15, 2020.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

Note 2 - Cash and Investments

The following is a detail of cash and cash equivalents as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Cash on hand	\$ 9,103	\$ 9,828
Deposits	1,005,483	920,038
State Treasurer's investment pool	9,587,529	7,958,334
California Asset Management Program	9,585,387	8,987,500
Total cash and cash equivalents	<u>\$ 20,187,502</u>	<u>\$ 17,875,700</u>

As of June 30, 2019 and 2018, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>2019 Fair Value</u>	<u>2018 Fair Value</u>
State Treasurer's investment pool	less than 12 months	\$ 9,587,529	\$ 7,958,334
California Asset Management Program	less than 12 months	9,585,387	8,987,500
Total cash equivalents		<u>\$ 19,172,916</u>	<u>\$ 16,945,834</u>
U.S. Treasury bills	6 months weighted average	\$ 19,304,648	\$ 15,813,532
Total Investments		<u>\$ 19,304,648</u>	<u>\$ 15,813,532</u>

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, 2019 AND 2018**

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, 2019, the District's bank balances were \$967,375, of which \$250,000 were insured and the remaining \$717,375 were collateralized with securities held by the pledging institution's trust department. As of June 30, 2018, the District's bank balances were \$785,183, of which \$250,000 were insured and the remaining \$535,183 were collateralized with securities held by the pledging institution's trust department.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

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 quoted market prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2019:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
Fixed Income Securities:				
Treasury Bills	\$ -	\$ 19,304,648	\$ -	\$ 19,304,648
Total Leveled Investments	<u>\$ -</u>	<u>\$ 19,304,648</u>	<u>\$ -</u>	<u>19,304,648</u>
LAIF*				9,587,529
California Asset Management Program*				<u>9,585,387</u>
 Total Investment Portfolio				 <u>\$ 38,477,564</u>

*Not subject to fair value measurement.

The District has the following recurring fair value measurements as of June 30, 2018:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
Fixed Income Securities:				
Treasury Bills	\$ -	\$ 15,813,532	\$ -	\$ 15,813,532
Total Leveled Investments	<u>\$ -</u>	<u>\$ 15,813,532</u>	<u>\$ -</u>	<u>15,813,532</u>
LAIF*				7,958,334
California Asset Management Program*				<u>8,987,500</u>
 Total Investment Portfolio				 <u>\$ 32,759,366</u>

*Not subject to fair value measurement.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

Note 3 - Accounts Receivable, Net

As of June 30, 2019 and 2018, the net balances were comprised of accounts receivable balances of \$8,121,054 and \$8,850,144, respectively, less the allowances for doubtful accounts of \$136,421 and \$165,642, respectively.

On the Statements of Revenues, Expenses and Changes in Net Position for the year ended June 30, 2019 and 2018, the balances of water sales, net of uncollectible accounts expense, were comprised of water sales revenues of \$47,811,749 and \$49,833,312, respectively, less uncollectible amounts of \$11,955 and \$31,211, respectively.

Note 4 - Capital Assets

Capital assets consist of the following at June 30, 2019:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land, franchises, and water rights	\$ 6,001,127	\$ -	\$ (547,832)	\$ 5,453,295
Construction in progress	2,397,003	4,697,846	(4,401,652)	2,693,197
Total capital assets not being depreciated	<u>8,398,130</u>	<u>4,697,846</u>	<u>(4,949,484)</u>	<u>8,146,492</u>
Capital assets being depreciated:				
Buildings, canals, pipelines, reservoirs and dams	165,119,809	5,734,643	(144,409)	170,710,043
Equipment	6,150,504	901,925	(590,315)	6,462,114
Henshaw pumping project	3,108,399	14,851	(11,380)	3,111,870
Total capital assets being depreciated	<u>174,378,712</u>	<u>6,651,419</u>	<u>(746,104)</u>	<u>180,284,027</u>
Less accumulated depreciation for:				
Buildings, canals, pipelines, reservoirs and dams	(81,379,187)	(2,774,926)	122,291	(84,031,822)
Equipment	(4,017,235)	(338,136)	577,325	(3,778,046)
Henshaw pumping project	(2,734,591)	(44,111)	7,994	(2,770,708)
Total accumulated depreciation	<u>(88,131,013)</u>	<u>(3,157,173)</u>	<u>707,610</u>	<u>(90,580,576)</u>
Total capital assets being depreciated, net	<u>86,247,699</u>	<u>3,494,246</u>	<u>(38,494)</u>	<u>89,703,451</u>
Total capital assets, net	<u>\$ 94,645,829</u>	<u>\$ 8,192,092</u>	<u>\$ (4,987,978)</u>	<u>\$ 97,849,943</u>

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

Note 4 - Capital Assets (Continued)

Capital assets consist of the following at June 30, 2018:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land, franchises, and water rights	\$ 6,001,127	\$ -	\$ -	\$ 6,001,127
Construction in progress	5,613,539	5,942,225	(9,158,761)	2,397,003
Total capital assets not being depreciated	<u>11,614,666</u>	<u>5,942,225</u>	<u>(9,158,761)</u>	<u>8,398,130</u>
Capital assets being depreciated:				
Buildings, canals, pipelines, reservoirs and dams	154,946,436	10,307,007	(133,634)	165,119,809
Equipment	5,933,128	588,114	(370,738)	6,150,504
Henshaw pumping project	3,087,030	24,169	(2,800)	3,108,399
Total capital assets being depreciated	<u>163,966,594</u>	<u>10,919,290</u>	<u>(507,172)</u>	<u>174,378,712</u>
Less accumulated depreciation for:				
Buildings, canals, pipelines, reservoirs and dams	(78,851,843)	(2,652,414)	125,070	(81,379,187)
Equipment	(4,108,468)	(275,308)	366,541	(4,017,235)
Henshaw pumping project	(2,696,116)	(41,275)	2,800	(2,734,591)
Total accumulated depreciation	<u>(85,656,427)</u>	<u>(2,968,997)</u>	<u>494,411</u>	<u>(88,131,013)</u>
Total capital assets being depreciated, net	<u>78,310,167</u>	<u>7,950,293</u>	<u>(12,761)</u>	<u>86,247,699</u>
Total capital assets, net	<u>\$ 89,924,833</u>	<u>\$ 13,892,518</u>	<u>\$ (9,171,522)</u>	<u>\$ 94,645,829</u>

Note 5 - Accounts Payable

At June 30, 2019, the accounts payable of \$6,456,917 included \$3,825,719 for obligations to the San Luis Rey Indian Water Authority, \$1,294,428 for water purchases from the San Diego County Water Authority, and \$1,336,770 for obligations to other vendors. At June 30, 2018, the accounts payable of \$10,755,722 included \$7,704,320 for obligations to the San Luis Rey Indian Water Authority, \$1,539,415 for water purchases from the San Diego County Water Authority, and \$1,511,987 for obligations to other vendors.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

Note 6 - 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, 2018 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, 2019 AND 2018**

Note 6 - 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, 2019 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	17.869%	7.634%	6.842%
Payment of unfunded liability	\$827,165	\$340	\$616

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are 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. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. District contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

Note 6 - Defined Benefit Pension Plan (Continued)

B. Net Pension Liability

The District's net pension liabilities were measured as of June 30, 2018 and 2017 using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018, and June 30, 2016 rolled forward to June 30, 2017 using standard update procedures.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement periods ended June 30, 2018 and June 30, 2017, the total pension liabilities were determined by actuarial valuations as of June 30, 2017 and 2016, with update procedures used to roll forward the total pension liabilities. The total pension liabilities for the Plan were based on the following actuarial methods and assumptions:

Valuation Dates	June 30, 2017 and 2016
Measurement Dates	June 30, 2018 and 2017
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	(1)
Mortality Rate Table	(2)
Post Retirement Benefit Increase	(3)

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

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

(3) Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

Note 6 - Defined Benefit Pension Plan (Continued)

B. Net Pension Liability (Continued)

Long-term Expected Rate of Return

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. 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+ 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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class at measurement date June 30, 2018 are as follows:

<u>Asset Class (a)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10 (b)</u>	<u>Real Return Years 11+ (c)</u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	-	(0.92%)
Total	<u>100.00%</u>		

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

(b) An expected inflation of 2.0% used for this period

(c) An expected inflation of 2.92% used for this period

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

Note 6 - Defined Benefit Pension Plan (Continued)

B. Net Pension Liability (Continued)

Long-term Expected Rate of Return (Continued)

The expected real rates of return by asset class at measurement date June 30, 2017 were as follows:

<u>Asset Class (a)</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Global Equity	47.00%	4.90%	5.38%
Global Fixed Income	19.00%	0.80%	2.27%
Inflation Sensitive	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	(0.40%)	(0.90%)
Total	<u>100.00%</u>		

(a) An expected inflation of 2.5% used for this period

(b) An expected inflation of 3.0% used for this period

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

Note 6 - 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: 6/30/2017 (VD)	\$ 93,700,006	\$ 78,077,338	\$ 15,622,668
Balance at: 6/30/2018 (MD)	\$ 95,958,641	\$ 81,167,541	\$ 14,791,100
Net Changes during 2017-18	\$ 2,258,635	\$ 3,090,203	\$ (831,568)

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, 2017	<u>0.39631%</u>
Proportionate Share - June 30, 2018	<u>0.39247%</u>
Change - Increase (Decrease)	<u><u>(0.00384%)</u></u>
Proportionate Share - June 30, 2016	<u>0.37210%</u>
Proportionate Share - June 30, 2017	<u>0.39631%</u>
Change - Increase (Decrease)	<u><u>0.02421%</u></u>

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

Note 6 - Defined Benefit Pension Plan (Continued)

C. Proportionate Share of Net Pension Liability

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 June 30, 2018 and 2017 measurement dates, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous Plan's Net Pension Liability - 2018	\$ 27,771,539	\$ 14,791,100	\$ 4,075,962

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous Plan's Net Pension Liability - 2017	\$ 28,510,812	\$ 15,622,668	\$ 4,948,474

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

Note 6 - Defined Benefit Pension Plan (Continued)

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

For the fiscal years ending June 30, 2019 and June 30, 2018, the District incurred a pension expense of \$2,421,809 and \$3,237,444, respectively for the Plan.

As of June 30, 2019, 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	\$ 2,007,718	\$ -
Differences between expected and actual experience	567,508	(193,120)
Changes in assumptions	1,686,230	(413,262)
Net difference between projected and actual earnings on pension plan investments	73,123	-
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	591,786	(302,288)
Total	\$ 4,926,365	\$ (908,670)

\$2,007,718 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 ending June 30, 2020. Other 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
2020	\$ 1,500,900
2021	916,053
2022	(273,938)
2023	(133,038)
2024	-
Thereafter	-
	\$ 2,009,977

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

Note 6 - Defined Benefit Pension Plan (Continued)

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

As of June 30, 2018, 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	\$ 1,862,822	\$ -
Differences between expected and actual experience	31,512	(451,468)
Changes in assumptions	3,909,899	(298,133)
Net difference between projected and actual earnings on pension plan investments	884,258	-
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	15,708	(691,244)
Total	\$ 6,704,199	\$ (1,440,845)

\$1,862,822 reported as deferred outflows of resources related to contributions subsequent to the measurement date was recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other 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
2019	\$ 568,488
2020	2,121,062
2021	1,235,983
2022	(525,001)
2023	-
Thereafter	-
	\$ 3,400,532

E. Payable to the Pension Plan

At June 30, 2019 and 2018, the District had no outstanding amount of contributions to the pension plan required for the years ended June 30, 2019 and 2018.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

Note 7 – OPEB Plan

Plan Description

The District provides post-retirement medical benefits to retirees through the Association of California Water Agencies (ACWA) health program and managed through the California Employers’ Retiree Benefit Trust (CERBT).

The plan is an agent multiple-employer defined benefit healthcare plan that provides retiree medical benefits to eligible retirees and spouses. The plan pays 100% of the cost (premiums) for benefits. To be eligible for retiree health benefits, an employee must retire under CalPERS on or after age 50 with at least 15 years (10 years for at-will employees) of service with the District. Coverage is available to the retiree and the spouse for a combined maximum of 15 years (20 years for at-will employees). The maximum coverage period for the retiree is 10 years and the spouse can be covered for up to the same number of years as the retiree subject to the combined maximum. Employees hired on or after January 1, 2012 are not eligible to continue health benefits at retirement. A separate financial report is not prepared for the plan.

Employees Covered

As of the June 30, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Inactive employees or beneficiaries currently receiving benefits	28
Active employees	<u>66</u>
Total	<u><u>94</u></u>

Contributions

The Plan and its contribution requirements are established by District policy and may be amended by the Board of Directors. The annual contribution is based on the actuarially determined contribution. For the fiscal years ended June 30, 2019 and 2018, the District’s contributions were \$101,590 and \$94,656, respectively in the form of estimated implied subsidy.

Net OPEB Liability

The District’s net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

Note 7 – OPEB Plan (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.00%
Inflation	2.75%
Projected Salary Increase	3.00% per annum, in aggregate
Expected long term investment rate of return	7.00%
Healthcare Cost Trend Rates	6.0% HMO/6.5% PPO, decreasing to 5%
Pre-retirement Turnover	Derived from termination rates under the CalPERS pension plan
Mortality	Derived from CalPERS pension plan updated to reflect most recent experience study

The actuarial assumptions used in the June 30, 2017 valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the District.

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan’s target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
CERBT		
Global Equity	57.00%	5.50%
Global Debt Securities	27.00%	2.35%
Inflation Assets	5.00%	1.50%
Commodities	3.00%	1.75%
REITs	8.00%	3.65%
Total	<u>100.00%</u>	

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

Note 7 – OPEB Plan (Continued)

Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan’s target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
CERBT		
US Equity	30.00%	4.85%
International Equity	27.00%	5.85%
REITs	8.00%	3.65%
US Fixed Income	27.00%	2.35%
Commodities	3.00%	1.75%
Inflation Assets	5.00%	1.50%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that District’s contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

Note 7 – OPEB Plan (Continued)

Changes in the Net OPEB Liability

The changes in the net OPEB liability during measurement period June 30, 2018 are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2017 (Measurement Date)	\$ 6,123,635	\$ 5,576,214	\$ 547,421
Changes in the Year:			
Service cost	143,685	-	143,685
Interest on the total OPEB liability	420,585	-	420,585
Contribution - employer	-	94,656	(94,656)
Net investment income	-	439,596	(439,596)
Administrative expenses	-	(10,309)	10,309
Benefit payments	(517,935)	(517,935)	-
Net Changes	<u>46,335</u>	<u>6,008</u>	<u>40,327</u>
Balance at June 30, 2018 (Measurement Date)	<u>\$ 6,169,970</u>	<u>\$ 5,582,222</u>	<u>\$ 587,748</u>

The changes in the net OPEB liability during measurement period June 30, 2017 were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2016 (Measurement Date)	\$ 6,072,491	\$ 5,045,820	\$1,026,671
Changes in the Year:			
Service cost	134,285	-	134,285
Interest on the total OPEB liability	416,970	-	416,970
Contribution - employer	-	500,111	(500,111)
Net investment income	-	533,100	(533,100)
Administrative expenses	-	(2,706)	2,706
Benefit payments	(500,111)	(500,111)	-
Net Changes	<u>51,144</u>	<u>530,394</u>	<u>(479,250)</u>
Balance at June 30, 2017 (Measurement Date)	<u>\$ 6,123,635</u>	<u>\$ 5,576,214</u>	<u>\$ 547,421</u>

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

Note 7 – OPEB Plan (Continued)

Change of Assumptions

There were no changes of assumptions.

Change of Benefit Terms

There were no changes of benefit terms.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District as of the June 30, 2018 and 2017 measurement dates, as well as what the District’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current discount rate:

	<u>1% Decrease (6.0%)</u>	<u>Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
Net OPEB Liability - 2018	\$ 1,036,885	\$ 587,748	\$ 180,268
	<u>1% Decrease (6.0%)</u>	<u>Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
Net OPEB Liability - 2017	\$ 999,972	\$ 547,421	\$ 137,667

Sensitivity of the Net OPEB Liability to Changes in Health-Care Cost Trend Rates

The following presents the net OPEB liability of the District as of the June 30, 2018 and 2017 measurement dates, as well as what the District’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower (5.00% HMO/5.50% PPO decreasing to 4.00% HMO/4.00% PPO) or 1-percentage point higher (7.00% HMO/7.50% PPO decreasing to 6.00% HMO/6.00% PPO) than the current healthcare cost trend rates:

	<u>1% Decrease (5.00% HMO/ 5.50% PPO decreasing to 4.00% HMO/ 4.00% PPO)</u>	<u>Current Healthcare Cost Trend Rates (6.00% HMO/ 6.50% PPO decreasing to 5.00% HMO/ 5.00% PPO)</u>	<u>1% Increase (7.00% HMO/ 7.50% PPO decreasing to 6.00% HMO/ 6.00% PPO)</u>
Net OPEB Liability - 2018	\$ 60,151	\$ 587,748	\$ 1,188,264

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

Note 7 – OPEB Plan (Continued)

Sensitivity of the Net OPEB Liability to Changes in Health-Care Cost Trend Rates (Continued)

	1% Decrease (5.00% HMO/ 5.50% PPO decreasing to 4.00% HMO/ 4.00% PPO)	Current Healthcare Cost Trend Rates (6.00% HMO/ 6.50% PPO decreasing to 5.00% HMO/ 5.00% PPO)	1% Increase (7.00% HMO/ 7.50% PPO decreasing to 6.00% HMO/ 6.00% PPO)
Net OPEB Liability - 2017	\$ 70,159	\$ 547,421	\$ 1,090,244

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2019 and 2018, the District recognized OPEB expense of \$150,526 and \$164,851, respectively.

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 101,590	\$ -
Differences between projected and actual earnings	-	159,543
Total	\$ 101,590	\$ 159,543

The net difference between projected and actual earnings on plan investments is amortized over a five-year period.

\$101,590 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ending June 30:</u>	<u>Amount</u>
2020	\$ (48,884)
2021	(48,884)
2022	(48,886)
2023	(12,889)
2024	-
Thereafter	-

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

Note 7 – OPEB Plan (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 94,646	\$ -
Differences between projected and actual earnings	-	143,990
Total	\$ 94,646	\$ 143,990

\$94,646 reported as deferred outflows of resources related to contributions subsequent to the measurement date was recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30:	Amount
2019	\$ (35,997)
2020	(35,997)
2021	(35,997)
2022	(35,999)
2023	-
Thereafter	-

Payable to the OPEB Plan

At June 30, 2019 and 2018, the District had no outstanding amount of contributions to the OPEB plan required for the years ended June 30, 2019 and 2018.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

Note 8 - Commitments and Contingencies

Commitments

On May 17, 2017 the District settled its long-standing water rights lawsuit with various Indian bands. 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 10 – Subsequent Events

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through December 3, 2019, the date the financial statements were available to be issued.

**VISTA IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019**

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

	Measurement Date				
	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014*
Plan's Proportion of the Net Pension Liability ¹	0.15349%	0.15753%	0.14938%	0.22908%	0.21738%
Plan's Proportionate Share of the Net Pension Liability	\$ 14,791,100	\$ 15,622,668	\$ 12,926,266	\$ 15,723,785	\$ 13,526,753
Plan's Covered Payroll ²	\$ 7,982,625	\$ 7,576,845	\$ 7,601,853	\$ 7,473,687	\$ 7,494,718
Plan's Proportionate Share of the Net Pension Liability as a % of its Covered Payroll	185.29%	206.19%	170.04%	210.39%	180.48%
Plan's Proportionate Share of the Fiduciary Net Position as a % of the Plan's Total Pension Liability	75.26%	73.31%	74.06%	80.66%	83.03%
Plan's Proportionate Share of Aggregate Employer Contributions ³	\$ 3,091,757	\$ 2,954,163	\$ 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 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, 2019**

Schedule of Contributions - Pension Plan
Last 10 Fiscal Years*

	Fiscal Year-End				
	2019	2018	2017	2016	2015*
Actuarially Determined Contribution	\$ 2,007,718	\$ 1,862,822	\$ 1,816,735	\$ 1,924,128	\$ 1,488,966
Contributions in Relation to the Actuarially Determined Contribution	<u>(2,007,718)</u>	<u>(1,862,822)</u>	<u>(1,816,735)</u>	<u>(9,682,740)</u>	<u>(1,488,966)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,758,612)</u>	<u>\$ -</u>
Covered Payroll ¹	\$ 8,034,376	\$ 7,982,625	\$ 7,576,845	\$ 7,601,853	\$ 7,473,687
Contributions as a % of Covered Payroll	24.99%	23.34%	23.98%	127.37%	19.92%

¹ Covered 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.

**VISTA IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019**

Schedule of Changes in the Net OPEB Liability and Related Ratios
Last 10 Fiscal Years*

Measurement date	6/30/2018	6/30/2017
Fiscal Year-End Date	6/30/2019	6/30/2018
Total OPEB Liability:		
Service cost	\$ 143,685	\$ 134,285
Interest on total OPEB liability	420,585	416,970
Benefit payments, including refunds of	(517,935)	(500,111)
Net Change in Total OPEB Liability	<u>46,335</u>	<u>51,144</u>
Total OPEB Liability - Beginning of Year	<u>6,123,635</u>	<u>6,072,491</u>
Total OPEB Liability - End of Year (a)	<u>6,169,970</u>	<u>6,123,635</u>
 Plan Fiduciary Net Position:		
Contributions - employer	94,656	500,111
Net investment income	439,596	533,100
Administrative expenses	(10,309)	(2,706)
Benefit payments	(517,935)	(500,111)
Net Change in Plan Fiduciary Net Position	<u>6,008</u>	<u>530,394</u>
Plan Fiduciary Net Position - Beginning of Year	<u>5,576,214</u>	<u>5,045,820</u>
Plan Fiduciary Net Position - End of Year (b)	<u>5,582,222</u>	<u>5,576,214</u>
 Net OPEB Liability - Ending (a)-(b)	<u>\$ 587,748</u>	<u>\$ 547,421</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 90.47%	 91.06%
 Covered - employee payroll	 \$ 6,109,000	 \$ 6,182,000
 Net OPEB liability as percentage of covered - employee payroll	 9.62%	 8.86%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

There were no changes in assumptions.

* Fiscal year 2018 was the first year of implementation.

**VISTA IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019**

Schedule of Contributions - OPEB
Last 10 Fiscal Years*

Fiscal Year-End Date	6/30/2019	6/30/2018
Actuarially determined contribution	\$ 200,852	\$ 195,002
Contributions in relation to the actuarially determined contributions	<u>(101,590)</u>	<u>(94,656)</u>
Contribution deficiency (excess)	<u>\$ 99,262</u>	<u>\$ 100,346</u>
Covered - employee payroll	\$ 5,559,000	\$ 6,109,000
Contributions as a percentage of covered - employee payroll	1.83%	1.55%

Notes to Schedule:

Valuation Date	6/30/2017	6/30/2017
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Methods and Assumptions Used to Determine Contribution Rates:

Single and agent employers	Entry age
Amortization method	Level percentage of payroll, closed
Asset valuation method	Market Value
Inflation	2.75%
Salary increases	3.00%
Investment rate of return	7.00%
Mortality	CalPers pension plan

* Fiscal year 2018 was the first year of implementation.



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	51
<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	53
<i>These schedules contain information to help the reader access the District’s most significant local revenue source.</i>	
Demographic and Economic Information	57
<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	60
<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.

Table I
NET POSITION BY COMPONENT
Last Ten Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Position					
Net investment in capital assets	\$ 97,849,943	\$ 94,645,829	\$ 89,924,833	\$ 84,550,252	\$ 82,551,852
Unrestricted	26,552,862	18,084,612	15,418,929	21,630,198	19,724,448
Total Net Position	<u>\$ 124,402,805</u>	<u>\$ 112,730,441</u>	<u>\$ 105,343,762</u>	<u>\$ 106,180,450</u>	<u>\$ 102,276,300</u>

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net Position					
Net investment in capital assets	\$ 81,758,263	\$ 83,082,019	\$ 82,359,487	\$ 82,216,322	\$ 80,952,196
Unrestricted	31,251,239	24,015,914	17,912,540	13,013,133	15,834,495
Total Net Position	<u>\$ 113,009,502</u>	<u>\$ 107,097,933</u>	<u>\$ 100,272,027</u>	<u>\$ 95,229,455</u>	<u>\$ 96,786,691</u>

Source: Vista Irrigation District

Table II
CHANGES IN NET POSITION
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Operating Revenues:										
Water sales	\$ 47,799,794	\$ 49,802,101	\$ 45,948,385	\$ 41,193,157	\$ 44,594,810	\$ 46,858,642	\$ 44,675,640	\$ 38,929,306	\$ 36,935,147	\$ 35,112,935
Property rentals	807,180	823,871	770,023	718,075	738,767	705,845	666,495	475,148	740,341	546,448
Other services	569,180	451,600	645,880	657,891	428,667	454,842	206,602	285,692	282,608	342,551
System fees	1,225,043	731,240	1,029,580	622,039	853,041	667,311	228,954	297,553	332,643	94,243
Total operating revenues	50,401,197	51,808,812	48,393,868	43,191,162	46,615,285	48,686,640	45,777,691	39,987,699	38,290,739	36,096,177
Operating Expenses:										
Purchased water	21,287,616	22,569,140	23,826,729	18,721,053	19,235,486	21,351,934	19,438,447	14,767,680	11,705,489	13,956,299
Wages and benefits	13,591,552	14,461,797	13,492,353	11,870,598	12,298,601	12,026,730	11,902,693	12,223,638	13,207,539	12,540,325
Depreciation	3,157,173	2,968,997	2,719,379	2,581,311	3,363,263	3,222,382	3,122,974	3,022,459	2,967,954	2,893,214
Contractual services	5,240,188	4,292,413	3,495,060	4,125,191	3,827,299	3,932,249	3,551,800	3,554,268	3,228,825	2,592,296
Supplies	1,359,577	1,531,232	1,450,699	1,396,166	1,309,636	1,369,388	969,997	1,078,481	1,025,154	956,271
Professional fees	596,320	603,257	949,374	700,489	658,616	634,801	799,509	831,775	730,715	822,454
Power	466,694	405,854	525,897	656,238	662,164	603,100	735,024	434,811	536,753	575,442
Office and general	536,420	557,713	481,697	489,547	488,237	445,363	477,700	422,474	419,434	515,170
Insurance	385,026	543,145	535,788	531,811	489,023	476,242	407,580	363,291	332,528	291,909
Uncollectible accounts	-	-	-	-	-	60,389	54,046	72,180	80,472	125,418
Communications	51,755	53,326	56,779	49,845	55,126	57,814	61,278	72,668	83,428	68,200
Burden allocation	(1,363,958)	(1,433,392)	(1,422,130)	(1,255,779)	(945,126)	(947,821)	(934,908)	(1,074,815)	(932,041)	(1,277,798)
Total operating expenses	45,308,363	46,553,482	46,111,625	39,866,470	41,442,325	43,232,571	40,586,140	35,768,910	33,386,250	34,059,200
Operating Income (Loss)	5,092,834	5,255,330	2,282,243	3,324,692	5,172,960	5,454,069	5,191,551	4,218,789	4,904,489	2,036,977
Nonoperating Revenues (Expenses):										
Property taxes	487,062	450,512	423,469	384,960	381,843	443,255	387,889	313,008	305,985	367,482
Investment income	859,164	346,063	168,777	129,591	63,423	45,451	53,471	47,225	79,800	76,377
Gain (Loss) on disposal of capital assets	3,722,423	19,210	(139,088)	(16,209)	30,557	(3,819)	9,414	(6,235)	(22,426)	(53,133)
Interest Expense	-	-	-	-	-	-	-	-	-	(192,500)
Federal and state assistance	49,198	-	-	-	42,810	-	64,015	-	578	-
Legal settlement	-	-	(66,961)	(83,905)	(55,173)	(94,732)	(57,090)	(83,096)	231,600	-
Total Nonoperating Revenues (Expenses)	5,117,847	815,785	386,197	414,437	463,460	390,155	457,699	270,902	595,537	198,226
Income (Loss) Before Contributed Capital	10,210,681	6,071,115	2,668,440	3,739,129	5,636,420	5,844,224	5,649,250	4,489,691	5,500,026	2,235,203
Contributed Capital	1,461,683	1,315,564	1,257,820	165,021	499,911	67,345	1,176,656	552,881	1,174,858	416,554
Change in net position	11,672,364	7,386,679	3,926,260	3,904,150	6,136,331	5,911,569	6,825,906	5,042,572	6,674,884	2,651,757
Net Position, beginning of year	112,730,441	110,106,710	106,180,450	102,276,300	113,009,502	107,097,933	100,272,027	95,229,455	96,786,691	94,134,934
Prior Period Adjustment	-	(4,762,948)	-	-	(16,869,533)	-	-	-	(8,232,120)	-
Net Position, end of year	\$ 124,402,805	\$ 112,730,441	\$ 110,106,710	\$ 106,180,450	\$ 102,276,300	\$ 113,009,502	\$ 107,097,933	\$ 100,272,027	\$ 95,229,455	\$ 96,786,691

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>	
2019	\$20,866,138	10,747.2	\$3,441,266	1,740.4	\$3,635,381	1,820.5	\$1,593,200	815.6	\$720,781	360.6	\$1,954
2018	\$22,332,964	11,643.8	\$3,530,165	1,809.8	\$4,230,231	2,149.4	\$1,871,045	964.0	\$729,793	370.0	\$1,930
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

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>
2019	24,393	1,581	944	515	1,258	89	28,780
2018	24,268	1,584	934	568	1,244	90	28,688
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

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	
2019	\$4.27	\$4.81	\$4.81	\$4.59	\$40.97
2018	\$4.24	\$4.78	\$4.78	\$4.56	\$37.05
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

* 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.

Source: Vista Irrigation District

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

<u>Fiscal Year ended June 30, 2019</u>			<u>Fiscal Year ended June 30, 2010</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	120.5	0.78%	Golf Course	247.0	1.35%
Agriculture	89.7	0.58%	Courthouse	109.3	0.60%
Golf Course	55.4	0.36%	Nursery	52.7	0.29%
Industrial	57.5	0.37%	Industrial	47.0	0.26%
Industrial	54.0	0.35%	High School	44.9	0.25%
City	46.7	0.30%	Convalescent Home	36.8	0.20%
Mobile Home Park	37.9	0.24%	Mobile Home Park	34.8	0.19%
Multi-Family	38.7	0.25%	Mobile Home Park	34.3	0.19%
Mobile Home Park	34.1	0.22%	High School	33.8	0.18%
High School	31.3	0.20%	Mobile Home Park	33.2	0.18%
Total Top Ten Customers	<u>565.8</u>	<u>3.65%</u>	Total Top Ten Customers	<u>673.8</u>	<u>3.69%</u>
Other Customers	<u>14,918.2</u>	<u>96.35%</u>	Other Customers	<u>17,598.8</u>	<u>96.31%</u>
Total Water Sales	<u><u>15,484.0</u></u>	<u><u>100.00%</u></u>	Total Water Sales	<u><u>18,272.6</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)
2010	124,937	3.11	9.6%	\$37,294	\$4,657,406
2011	126,654	3.12	9.2%	\$34,801	\$4,376,064
2012	127,434	3.12	8.2%	\$35,373	\$4,483,093
2013	128,879	3.14	7.0%	\$41,282	\$5,292,719
2014	129,888	3.15	5.7%	\$37,469	\$4,843,276
2015	131,025	3.16	4.6%	\$43,573	\$5,659,852
2016	132,119	3.16	5.0%	\$44,881	\$5,878,408
2017	135,052	3.17	4.3%	\$44,034	\$5,903,717
2018	135,451	3.18	3.5%	\$43,203	\$5,929,135
2019	136,772	3.19	<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, 2019 ⁽¹⁾			Fiscal Year Ended June 30, 2010 ⁽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+	University of California, San Diego	Education	10,000+
Sharp Healthcare	Healthcare	10,000+	Qualcomm	Telecommunications	5,000-9,000
Scripps Healthcare	Healthcare	10,000+	National Steel & Shipbuilding Co.	Shipbuilders	5,000-9,000
Qualcomm, Inc.	Technology	5,000-9,999	Scripps Healthcare	Healthcare	5,000-9,000
Kaiser Medical Center	Healthcare	5,000-9,999	U.S. Postal Service San Diego Division	Government	5,000-9,000
San Diego State University	Education	5,000-9,999	Kaiser Permanente	Healthcare	3,000-4,999

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

² Vista Irrigation District 2010 CAFR/San Diego SourceBook 2010

Table IX
NUMBER OF EMPLOYEES
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Employees	87	90	89	87	88	84	90	94	94	101
Average Years of Service	10.8	11.6	12.8	12.0	11.6	11.9	11.7	11.8	11.1	10.4

Source: Vista Irrigation District

Note- Based on active employees at fiscal year-end.

Table X
OPERATING AND CAPITAL INDICATORS
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Service Area (acres)	21152	21152	21160	21160	21160	21200	21200	21200	21200	21200
Miles of water main (4" and larger) *	429	429	473	473	473	473	473	471	470	470
Number of enclosed reservoirs	12	12	12	12	12	12	12	12	12	12
Capacity of enclosed reservoirs (acre feet)	142	142	141	141	142	142	142	142	142	142
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	7	7	8
Number of pumps	18	18	18	18	18	18	18	18	18	19
Total capacity of pumps (horsepower)	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,055	1,055	1,075
Number of service connections	28,780	28,688	28,622	28,478	28,649	28,609	28,435	28,435	28,314	28,305
Production peak (million gallons per day)	22	21	22	20	24	32	28	26	27	31
Average production (million gallons per day)	14	16	15	14	16	18	18	17	16	19
Total rainfall (inches) - Lake Henshaw	35	12	34	21	16	13	14	20	36	33
Total rainfall (inches) - Vista	16	4	20	11	8	5	9	11	25	18
Average daily temperature (F) - Lake Henshaw	58	60	60	59	60	60	57	55	55	56
Average daily temperature (F) - Vista	62	64	63	64	64	63	62	61	61	67
Electricity purchased (1,000 kWh) - Service Area	1,075	1,060	712	1,081	1,094	1,078	1,244	1,123	1,719	1,768
Electricity purchased (1,000 kWh) - Lake Henshaw	1,783	1,077	1,964	3,176	3,352	3,310	3,800	1,315	2,178	3,178
Natural gas purchased (therms)	7,833	6,926	5,768	5,970	5,573	5,777	6,500	6,990	5,379	5,928
Mainline repairs	31	20	40	29	33	32	41	40	47	20

* Miles of pipe within the Vista Irrigation District distribution system was updated consistent with the analysis and findings set forth of the 2018 Potable Water Master Plan.

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, 2019. 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 June 3, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

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, 2019. 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.

Significant Audit Matters (Continued)

Qualitative Aspects of Accounting Practices (Continued)

- c. 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.
- d. The actuarially determined contribution, Other Postemployment Benefit (OPEB) expense, net OPEB Liability, and corresponding deferred outflows of resources and deferred inflows of resources for the District's OPEB plan are based on actuarial valuations by an independent third party actuary.
- e. 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.

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 are:

- a. The disclosure of the net pension liability in Note 6.
- b. The disclosure of the Other Post-Employment Benefit Plan in Note 7.

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 misstatements 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 test work, we proposed no corrections to the financial statements.

Significant Audit Matters (Continued)

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 3, 2019.

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, the Schedule of Contributions – Pension Plans, Schedule of Changes in the Net OPEB Liability and Related Ratios, and the Schedule of Contributions – OPEB, 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.

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 Nick Evans LLP

Carlsbad, California
December 3, 2019

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, 2019, 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 3, 2019.

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 not have 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 3, 2019.

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 Dick Evans LLP

Carlsbad, California
December 3, 2019

Board of Directors of the
Vista Irrigation District
Vista, California

In planning and performing our audit of the financial statements of Vista Irrigation District (the District) as of and for the year ended June 30, 2019 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 3, 2019 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:

Manual Follow-Up Requests for Banking Information Changes

Auditors' Comment and Recommendation

During our entrance meeting, WNDE discussed the recent increase in fraudulent activity in the marketplace, as it pertains to fictitious vendors notifying entities of bank information changes for electronic payments. We recommend the District implement a system where any banking information change requests (ACH and Wire Transfers) be followed up by a District employee before any changes and payment is processed to decrease the risk of fraudulent ACH and wire transfer payments to fictitious vendors.

Management's response

For Payroll related bank information changes, the District requires information be manually submitted for processing with the exception of Lake Henshaw employees. Those employees either mail or email their request to update banking information, and those requests are followed-up with a verification phone call.

For Accounts Payable ACH and Wire transfer related bank information changes, the District has implemented a new procedure whereby staff will do a follow-up call to vendors using only prior contact information to ensure the change is valid.

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.

This communication is intended solely for the information and use of management, the Board of Directors, and others within 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

December 3, 2019
Carlsbad, California



STAFF REPORT

Agenda Item: 8

Board Meeting Date: January 22, 2020
Prepared By: Shallako Goodrick
Reviewed By: Marlene Kelleher
Approved By: Brett Hodgkiss

SUBJECT: FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2019

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, 2019. 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. Lake Henshaw revenues were \$3,366,594, which included an estimated value of \$2,697,421 in local water that was provided to the District; expenses were \$1,766,259, which included \$146,518 for legal and consulting fees related to the water rights litigation. Lake Henshaw operations resulted in a \$1,600,335 net income for Fiscal Year 2019.

The first three special reports listed above compare the actual results for the year ended June 30, 2019 with the budgeted amounts approved by the Board.

Overall, the District experienced a \$5.1 million operating gain this fiscal year, which is a decrease from the \$5.3 million operating gain for the prior fiscal year. Water purchases from the San Diego County Water Authority totaled \$21.3 million.

DETAILED REPORT: See attached Financial Report for the Year Ended June 30, 2019.



FINANCIAL REPORT
For the Year Ended
June 30, 2019

(UNAUDITED)

VISTA IRRIGATION DISTRICT

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FINANCIAL STATEMENTS

LAKE HENSHAW OPERATIONS

STATEMENTS OF REVENUES AND EXPENSES

Years Ended June 30, 2019 and 2018

(Unaudited)

	2019	2018
Revenues:		
Value of local water produced	\$ 2,697,421	\$ 3,202,869
Property rentals	646,205	650,450
Other services	22,968	(14,239)
Contract water sales	-	(1,464)
Total Revenues	<u>3,366,594</u>	<u>3,837,616</u>
Expenses:		
Contractual services	623,934	463,136
Depreciation	309,214	305,595
Professional fees	262,650	273,077
Burden allocation	208,540	272,564
Power	169,117	132,819
Wages	90,277	115,006
Supplies	45,079	85,080
Office and general	29,575	28,177
Insurance	27,873	35,488
Total Expenses	<u>1,766,259</u>	<u>1,710,942</u>
NET INCOME	<u>\$ 1,600,335</u>	<u>\$ 2,126,674</u>



SPECIAL REPORTS

VISTA IRRIGATION DISTRICT

WATER STATISTICS BUDGET COMPARISON Year Ended June 30, 2019 (In Acre Feet)

	Actual	Budget	Percentage of Budget
WATER SOURCES:			
Water Purchases	13,422	14,207	94%
Local Water	<u>2,622</u>	<u>3,393</u>	77%
Total Water Sources	<u><u>16,044</u></u>	<u><u>17,600</u></u>	91%
WATER SALES	<u><u>15,281</u></u>	<u><u>16,500</u></u>	93%

VISTA IRRIGATION DISTRICT

REVENUE AND EXPENSE BUDGET COMPARISON Year Ended June 30, 2019

	Actual	Budget	Percentage of Budget
OPERATING REVENUES			
Water sales:			
Single family	\$ 14,616,690	\$ 16,360,000	89%
Multiple family	5,390,724	5,650,000	95%
Irrigation	3,444,317	3,560,000	97%
Commercial	2,298,953	2,360,000	97%
Agricultural	1,542,827	1,820,000	85%
Industrial	1,141,050	1,120,000	102%
Mobile homes	741,940	700,000	106%
Government	657,377	750,000	88%
Unmetered	3,679	10,000	37%
Service charges	17,974,192	17,612,000	102%
Subtotal water sales	<u>47,811,749</u>	<u>49,942,000</u>	
System fees:			
Capacity	1,214,543	1,200,000	101%
Annexation and detachments	10,500	-	-
Subtotal system fees	<u>1,225,043</u>	<u>1,200,000</u>	
Property rentals	807,180	738,300	109%
Other services:			
Non construction services	288,746	250,000	115%
New installations	280,434	300,000	93%
Subtotal other services	<u>569,180</u>	<u>550,000</u>	
Total Operating Revenues	<u>50,413,152</u>	<u>52,430,300</u>	96%
OPERATING EXPENSES			
Purchased water	21,287,616	22,552,500	94%
Wages and benefits:			
Salaries	8,040,182	8,220,000	98%
PERS retirement	2,421,809	2,090,000	116%
Employee health insurance	2,039,101	2,176,000	94%
FICA & medicare	623,012	580,000	107%
Workers compensation	184,355	195,000	95%
Deferred compensation plan	102,862	95,000	108%
Life and disability insurance	85,567	89,200	96%
Retiree medical insurance	48,936	200,000	24%
Uniforms	31,074	31,500	99%
Unemployment insurance	9,836	2,000	492%
EAP counseling	2,937	3,000	98%
Tuition reimbursement	1,881	4,000	47%
Subtotal wages and benefits	<u>13,591,552</u>	<u>13,685,700</u>	

VISTA IRRIGATION DISTRICT

REVENUE AND EXPENSE BUDGET COMPARISON Year Ended June 30, 2019

	Actual	Budget	Percentage of Budget
Contractual services	5,240,188	4,306,500	122%
Depreciation	3,157,173	3,058,000	103%
Supplies	1,359,577	1,306,400	104%
Professional fees:			
Consulting	303,454	420,400	72%
Legal	269,116	277,800	97%
Audit	23,750	25,000	95%
Subtotal professional fees	<u>596,320</u>	<u>723,200</u>	
Office and general:			
Fees and permits	172,038	145,500	118%
Computer hardware	84,937	95,000	89%
Postage	63,494	70,000	91%
Dues, subscriptions, and publications	45,315	48,800	93%
Employment related expense	39,066	42,700	91%
Travel	36,959	40,600	91%
Training	36,531	48,100	76%
Computer software	21,370	4,200	509%
Printing	17,921	12,500	143%
Office supplies	17,494	22,700	77%
Awards and contributions	1,295	9,500	14%
Subtotal office and general	<u>536,420</u>	<u>539,600</u>	
Power	466,694	540,300	86%
Insurance	385,026	434,000	89%
Communications	51,755	58,500	88%
Uncollectible accounts	11,955	28,000	43%
Burden allocation	(1,363,958)	(1,400,000)	97%
Total Operating Expenses	<u>45,320,318</u>	<u>45,832,700</u>	99%
Operating Income	5,092,834	6,597,600	77%
NONOPERATING REVENUES (EXPENSES)			
Gain on disposal of capital assets	3,722,423	-	-
Investment income	859,164	330,000	260%
Property taxes	487,062	450,000	108%
Federal & state assistance	49,198	-	-
Total Nonoperating Revenues	<u>5,117,847</u>	<u>780,000</u>	656%
Income Before Contributed Capital	<u>\$ 10,210,681</u>	<u>\$ 7,377,600</u>	138%

VISTA IRRIGATION DISTRICT

CAPITAL OUTLAY COMPARISON

June 30, 2019

	Budget Item #	Board Approved (Inception To Date)	Outlay To Date	Capital Outlay Remaining
ENGINEERING:				
E43 Regulator Relocation & Upgrade	10-02	150,000	93,897	56,103
AB Line Replacement	11-04	1,100,000	133,971	966,029
East Vista Way - Mason Road Pipeline	12-02	600,000	-	600,000
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
E Reservoir and Pump Station	16-04	600,000	267,329	332,671
Paseo Santa Fe Project	16-05	1,850,000	1,105,696	744,304
FY 2018 Main Replacement Program	18-01	4,500,000	4,104,954	395,046
Calle Maria Pipeline Extension	18-02	200,000	-	200,000
Vista Flume - Beehive Bench & Siphon	18-03	100,000	16,862	83,138
Lita Lane Pipeline Extension	18-04	81,000	-	81,000
HB Reservoir Rehabilitation	18-05	1,475,000	319,685	1,155,315
Camino Mateo Pipeline Extension & Intertie	18-07	20,000	32,770	-
FY 2019 Main Replacement Program	19-01	2,750,000	1,342,927	1,407,073
Pechstein Reservoir Rehabilitation	19-02	175,000	-	-
		<u>15,181,000</u>	<u>7,497,549</u>	<u>7,521,221</u>
FIELD SERVICES:				
Loader	18-09	170,000	145,818	-
Asphalt Grinder	18-10	135,000	133,721	-
Lobby Security Upgrade	18-12	48,000	-	48,000
Generator	19-03	165,000	-	-
Vehicles (2)	19-04	73,000	61,493	-
Excavator	19-05	66,000	66,635	-
Equipment Trailers (2)	19-06	50,000	49,757	-
Hydraulic Breaker	19-07	22,000	19,269	-
Chiller	-	-	145,686	-
		<u>729,000</u>	<u>622,379</u>	<u>48,000</u>

VISTA IRRIGATION DISTRICT

CAPITAL OUTLAY COMPARISON

June 30, 2019

	Budget Item #	Board Approved (Inception To Date)	Outlay To Date	Capital Outlay Remaining
INFORMATION TECHNOLOGY:				
Phone System	17-07	35,000	-	-
Hyper-Converged Compute and Storage System	19-08	95,000	73,240	-
Color Laser Printer/Scanners (2)	19-09	15,000	12,599	-
Plotter	-	-	6,207	-
		<u>145,000</u>	<u>92,046</u>	<u>-</u>
OPERATIONS:				
SCADA Control Panel (3)	18-17	110,000	77,424	-
Flow Control Facility	19-10	85,000	107,914	-
Regulator	19-11	21,000	20,248	-
Altitude and Seismic Valve Actuators	19-12	20,000	10,419	9,581
Motor	-	-	7,565	-
		<u>236,000</u>	<u>223,570</u>	<u>9,581</u>
WATER RESOURCES:				
Tractor Mower	19-13	36,000	34,048	-
Motor Well 29A	-	-	6,583	-
Motor Well 34A	-	-	8,268	-
Box Scraper	-	-	5,495	-
		<u>36,000</u>	<u>54,394</u>	<u>-</u>
		<u>\$ 16,327,000</u>	<u>\$ 8,489,938</u>	<u>\$ 7,578,802</u>

VISTA IRRIGATION DISTRICT

PROPERTY REVENUES

Years Ended June 30, 2019 and 2018

	6/30/19	6/30/18
Hein Hettinga	\$ 258,158	\$ 235,335
Department of Defense - Navy 2nd lease	100,805	97,729
My Country Club, Inc.	80,000	99,286
Department of Defense - Navy	56,744	55,012
Crown Castle - Cabrillo Circle	48,454	47,013
T-Mobile - Lupine Hills	48,366	46,922
Crown Castle GT Co.	41,101	39,855
Cingular Wireless/AT&T	40,493	39,314
Lake Henshaw Resort, Inc.	33,658	59,967
Crown Castle - Vista Towers	28,902	17,990
Verizon Wireless	20,475	19,757
Puerta La Cruz	14,400	13,236
Sempra Energy	12,569	12,063
Mendenhall Cattle Company, Inc.	9,514	12,639
Noll Seeds	6,167	5,315
Sprint	2,219	19,514
Charles Chester Taylor	1,650	1,650
County of San Diego - Warner Pit	1,645	59
AECOM Technical Services	1,000	-
Department of Agriculture	500	500
Vallecitos Water District	360	360
CalFire	-	355
	<hr/>	<hr/>
TOTAL PROPERTY REVENUES	<u>\$ 807,180</u>	<u>\$ 823,871</u>

VISTA IRRIGATION DISTRICT

LEGAL EXPENSES Year Ending June 30, 2019

General Legal Fees

Liebert, Cassidy & Whitmore	General	65,742	
Rutan & Tucker LLP	General	<u>56,856</u>	
			\$ 122,598

Water Rights Legal Fees

Horton, Knox, Carter & Foote	Indians	144,000	
Rutan & Tucker LLP	Indians	<u>2,518</u>	
			<u>146,518</u>

Total Legal Costs (12 months)			<u>\$ 269,116</u>
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Total Budgeted Legal Costs (12 months)			<u>\$ 277,800</u>
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STAFF REPORT

Board Meeting Date: January 22, 2020
Prepared By: Don Smith
Approved By: Brett Hodgkiss

SUBJECT: STUDY OF SOUTHWESTERN WILLOW FLYCATCHER ON DISTRICT LAND

RECOMMENDATION: Receive results of field surveys for southwestern willow flycatcher on District land as performed by the United States Geological Survey (USGS) under contract to the San Diego Association of Governments (SANDAG).

PRIOR BOARD ACTION: On June 3, 2015, the Board authorized the USGS to conduct field surveys, nest monitoring and color banding on District lands between mid-May and August annually from 2015 through 2019.

FISCAL IMPACT: None.

SUMMARY: The USGS has completed five years of field surveys for southwestern willow flycatcher at selected areas throughout San Diego County, including on lands owned by the District. While a report summarizing the findings of this study is pending, preliminary results suggest that riparian areas along the San Luis Rey River and at Lake Henshaw are significant habitat for this species. In particular, recent surveys have established the presence of occupied habitat along the shores of Lake Henshaw.

**Southwestern Willow Flycatcher Territories
On District Land***

Location	Year				
	2015	2016	2017	2018	2019
Below Dam	7	8	3	3	2
Lake Henshaw	n/s	n/s	n/s	16	24
West Fork	n/s	n/s	n/s	0 (6 transients)	n/s

* Data is taken from provisional, unpublished findings.

n/s – not surveyed

Barbara Kus, Research Ecologist for the USGS will present a preliminary summary of the findings of field surveys conducted on District lands both above and below Lake Henshaw for the five years of the SANDAG study.

DETAILED REPORT: The southwestern willow flycatcher is small migratory songbird dependent on riparian habitat for breeding. It has been listed as endangered since 1995 under the Endangered Species Act (ESA). The USGS has received grant funding from SANDAG to study the southwestern willow flycatcher in San Diego County between 2015 and 2019. Much of the San Luis Rey River corridor was designated by the US Fish and Wildlife Service as critical habitat for the southwestern willow flycatcher in 2013; in particular, the upper San Luis Rey River is believed to contain the largest population of southwestern willow flycatcher in California. The District owns land below Henshaw Dam including about one linear mile of riparian habitat.



STAFF REPORT

Board Meeting Date: January 22, 2020
Prepared By: Lisa Soto
Approved By: Brett Hodgkiss

SUBJECT: RESOLUTION HONORING PAST PRESIDENT JO MACKENZIE

RECOMMENDATION: Adopt Resolution No. 20-XX honoring the District's 2019 past president, Jo MacKenzie.

PRIOR BOARD ACTION: None.

FISCAL IMPACT: None.

SUMMARY: Director MacKenzie has served as Director of Division 5 since 1992. She recently completed her term as Board President for 2019 during which time the District initiated work on a Water Supply Planning Study to determine the future of the Vista Flume and embarked on several significant capital projects including rehabilitation of the Buena Creek HB Reservoir and design of the Edgehill (E) Reservoir Replacement and Pump Station Project. The District also disposed of surplus properties located on Pipeline Drive and on Warmlands Avenue in Vista and property in Poway.

Under Director MacKenzie's leadership, the District received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for twelfth consecutive year and became one of only 12 special districts in California to receive District of Distinction Platinum Level recognition from the Special District Leadership Foundation. The District was also a recipient of the President's Special Recognition Award from the Association of California Water Agencies Joint Powers Insurance Authority for achieving loss ratios of 20 percent or less in the Liability and Workers' Compensation programs.

Director MacKenzie's dedication was demonstrated through her conscientious service on the California Special Districts Association (CSDA) Board of Directors on both the State and local levels. She also served as Chair of the San Diego Local Agency Formation Commission (LAFCO) and on the Board of Directors for California LAFCO (CALAFCO). Director MacKenzie tirelessly serves on committees for CSDA, ACWA and CALAFCO and as President of the CSDA Finance Corporation and Treasurer of the Special District Leadership Foundation. She is also a member of the committee to review and recommend revisions related to the rules of LAFCO protest votes in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

In recognition of Director MacKenzie's accomplishments and outstanding efforts for the benefit of all the people of the Vista Irrigation District during her tenure as President, the attached resolution is presented for the Board's consideration.

ATTACHMENT: Draft resolution

RESOLUTION NO. 20-xx

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE VISTA IRRIGATION DISTRICT
HONORING PAST PRESIDENT JO MACKENZIE

WHEREAS, Jo MacKenzie has served as Director of Division 5 since 1992; and

WHEREAS, she has conscientiously and ably served as President of the Board for 2019; and

WHEREAS, during her term as President, the District initiated work on a Water Supply Planning Study to determine the future of the Vista Flume and embarked on several significant capital projects including rehabilitation of the Buena Creek HB Reservoir and design of the Edgehill (E) Reservoir Replacement and Pump Station Project. The District also disposed of surplus properties located on Pipeline Drive and on Warmlands Avenue in Vista and property in Poway; and

WHEREAS, under Director MacKenzie's leadership, the District received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for twelfth consecutive year and became one of only 12 special districts in California to receive District of Distinction Platinum Level recognition from the Special District Leadership Foundation. The District was also a recipient of the President's Special Recognition Award from the Association of California Water Agencies Joint Powers Insurance Authority for achieving loss ratios of 20 percent or less in the Liability and Workers' Compensation programs; and

WHEREAS, Director MacKenzie's dedication was demonstrated through her conscientious service on the California Special Districts Association (CSDA) Board of Directors on both the State and local levels. She also served as Chair of the San Diego Local Agency Formation Commission (LAFCO) and on the Board of Directors for California LAFCO (CALAFCO). Director MacKenzie tirelessly serves on committees for CSDA, ACWA and CALAFCO and as President of the CSDA Finance Corporation and Treasurer of the Special District Leadership Foundation. She is also a member of the committee to review and recommend revisions related to the rules of LAFCO protest votes in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors and staff of the Vista Irrigation District does hereby express to Jo MacKenzie appreciation for her accomplishments and outstanding efforts for the benefit of all the people of the Vista Irrigation District during her tenure as President.

PASSED AND ADOPTED by the following roll call vote of the Board of Directors for the Vista Irrigation District this 22nd day of January 2020.

AYES:

NOES:

ABSTAIN:

ABSENT:

Richard L. Vásquez, President

ATTEST:

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



Agenda Item: 11

STAFF REPORT

Board Meeting Date: January 22, 2020
Prepared By: Brett Hodgkiss

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

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



STAFF REPORT

Agenda Item: 12.A

Board Meeting Date: January 22, 2020
Prepared By: Lisa Soto
Approved By: Brett Hodgkiss

SUBJECT: REPORTS ON MEETINGS AND EVENTS ATTENDED BY DIRECTORS

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



STAFF REPORT

Agenda Item: 12.B

Board Meeting Date: January 22, 2020
Prepared By: Lisa Soto
Approved By: Brett Hodgkiss

SUBJECT: SCHEDULE OF UPCOMING MEETINGS AND EVENTS

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

	SCHEDULE OF UPCOMING MEETINGS AND EVENTS	ATTENDEES
1 *	City of Vista State of the Community Luncheon Jan. 27, 2020 – Vista Civic Center Morris B. Vance Room Reservation deadline: None	Miller (R) Vásquez (R) Dorey (R) Sanchez (R)
2 *	Vista Chamber of Commerce Business Mixer Feb. 12, 2020, 5:00 p.m. – 7:00 p.m.; Location TBD No RSVP required to attend	
3	2020 Water Policy Forum & Dinner (MWDOC) Feb. 12, 2020, 5:30 – 8:00 p.m.; Avenue of the Arts Hotel, Costa Mesa Registration deadline: 2/7/20	
4 *	Council of Water Utilities Meeting Feb. 18, 2020 – The Butcher Shop Steakhouse, Kearny Mesa Reservation deadline: 2/13/20	
5	Urban Water Institute’s Spring Water Conference Feb. 19-21, 2020 – Hilton Palm Springs Registration deadline: 2/12/20	Vásquez (R)
6 *	CSDA Quarterly Dinner Meeting Feb. 20, 2020, 6:00-9:00 p.m.; The Butcher Shop Steakhouse, Kearny Mesa Reservation deadline: 2/13/20	MacKenzie
7	ACWA Legislative Symposium Mar. 12, 2020 – Sutter Club, Sacramento Registration deadline: 3/6/20	
8 *	Council of Water Utilities Meeting Mar. 17, 2020 – The Butcher Shop Steakhouse, Kearny Mesa Reservation deadline: 3/12/20	
9 *	Council of Water Utilities Meeting April 21, 2020 – The Butcher Shop Steakhouse, Kearny Mesa Reservation deadline: 4/16/20	
10	ACWA Spring Conference May 5-8, 2020 – Monterey Registration deadline: TBD	MacKenzie
11 *	Council of Water Utilities Meeting May 19, 2020 – The Butcher Shop Steakhouse, Kearny Mesa Reservation deadline: 5/14/20	
12	Special Districts Legislative Days (CSDA) May 19-20, 2020 – Sheraton Grand Sacramento Registration deadline: TBD	
13 *	CSDA Quarterly Dinner Meeting May 21, 2020, 6:00-9:00 p.m.; The Butcher Shop Steakhouse, Kearny Mesa Reservation deadline: 5/14/20	

	SCHEDULE OF UPCOMING MEETINGS AND EVENTS	ATTENDEES
14	Third Annual Groundwater Sustainability Summit (GRA) <i>June 10-11, 2020 – Hilton Sacramento Arden West</i> <i>Registration deadline: TBD</i>	
15 *	Council of Water Utilities Meeting <i>June 16, 2020 – The Butcher Shop Steakhouse, Kearny Mesa</i> <i>Reservation deadline: 6/11/20</i>	
16 *	Council of Water Utilities Meeting <i>July 21, 2020 – The Butcher Shop Steakhouse, Kearny Mesa</i> <i>Reservation deadline: 7/16/20</i>	
17 *	Council of Water Utilities Meeting <i>DARK IN AUGUST</i>	
18	Urban Water Institute Annual Water Conference <i>Aug. 19-21, 2020 – Hilton San Diego</i> <i>Registration deadline: TBD</i>	
19 *	CSDA Quarterly Dinner Meeting <i>Aug. 20, 2020, 6:00-9:00 p.m.; The Butcher Shop Steakhouse, Kearny Mesa</i> <i>Reservation deadline: 8/13/20</i>	
20	CSDA Annual Conference <i>Aug. 24-27, 2020 – Palm Springs</i> <i>Registration deadline: TBD</i>	
21 *	Council of Water Utilities Meeting <i>Sept. 15, 2020 – The Butcher Shop Steakhouse, Kearny Mesa</i> <i>Reservation deadline: 9/10/20</i>	
22 *	Council of Water Utilities Meeting <i>Oct. 20, 2020 – The Butcher Shop Steakhouse, Kearny Mesa</i> <i>Reservation deadline: 10/15/20</i>	
23 *	CSDA Quarterly Dinner Meeting <i>Nov. 19, 2020 – 6:00-9:00 p.m. – The Butcher Shop Steakhouse, Kearny Mesa</i> <i>Reservation deadline: 11/12/20</i>	
24 *	Council of Water Utilities Meeting <i>Nov. 17, 2020 – The Butcher Shop Steakhouse, Kearny Mesa</i> <i>Reservation deadline: 11/12/20</i>	
25 *	Council of Water Utilities Meeting <i>DARK IN DECEMBER</i>	
26	ACWA Fall Conference <i>Dec. 1-4, 2020 – Indian Wells; Registration deadline: TBD</i>	
27	Colorado River Water Users Association Conference (CRWUA) <i>Dec. 14-16, 2020 – Las Vegas; Registration deadline: TBD</i>	

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

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

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



Agenda Item: 13

STAFF REPORT

Board Meeting Date: January 22, 2020
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:

- Vista Hall of Fame participation
- Water Supply Planning Study
- Main Replacement Program update
- San Pasqual Undergrounding Project update
- Warner Wellfield Assessment



STAFF REPORT

Agenda Item: 14

Board Meeting Date: January 22, 2020
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.



STAFF REPORT

Agenda Item: 15

Board Meeting Date: January 22, 2020
Prepared By: Brett Hodgkiss

SUBJECT: COMMENTS BY GENERAL MANAGER

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