

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

January 3, 2024

A Regular Meeting of the Board of Directors of Vista Irrigation District was held on Wednesday, January 3, 2023 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, Kuchinsky, Sanchez, and MacKenzie.

Directors absent: None.

Staff present: Brett Hodgkiss, General Manager; Ramae Ogilvie, Secretary of the Board; Lesley Dobalian, Director of Water Resources; Randy Whitmann, Director of Engineering; Frank Wolinski, Director of Operations and Field Services; and Shallako Goodrick, Director of Administration. Back-up General Counsel Gena Burns of Burke, Williams & Sorensen was also present.

Other attendees: LaVonne Peck and Stephanie Zehren, San Luis Rey Indian Water Authority, and Shannon Ayala, Davis Farr LLP, were present via teleconference.

3. PLEDGE OF ALLEGIANCE

President Vásquez led the Pledge of Allegiance.

4. APPROVAL OF AGENDA

24-01-01	<i>Upon motion by Director Miller, seconded by Director Kuchinsky and unanimously carried (5 ayes: Miller, Kuchinsky, Sanchez, MacKenzie, and Vásquez), the Board of Directors approved the agenda as presented.</i>
----------	--

5. ORAL COMMUNICATIONS

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

6. CONSENT CALENDAR

Director MacKenzie requested that item 6.A, Minutes of the Public Affairs Committee meeting on December 20, 2023, be pulled from the consent calendar and brought back to the Board with the staff report and attachment included for review at the January 17, 2024 Board of Directors meeting.

24-01-02	<i>Upon motion by Director MacKenzie, seconded by Director Miller and unanimously carried (5 ayes: Miller, Kuchinsky, Sanchez, MacKenzie, and Vásquez), the Board of Directors approved pulling 6.A from the Consent Calendar for review at the January 17, 2024 Board meeting and approved items 6.B and 6.C of the Consent Calendar, including Resolution No. 2024-01 approving disbursements.</i>
----------	--

- A. Minutes of the Public Affairs Committee meeting on December 20, 2023
- B. Minutes of the Board of Directors meeting on December 6 and 11, 2023
The minutes of December 6 and December 11, 2023 were approved as presented.
- C. Resolution ratifying check disbursements

RESOLUTION NO. 2024-01

BE IT RESOLVED, that the Board of Directors of Vista Irrigation District does hereby approve checks numbered 73628 through 73816 drawn on US Bank totaling \$933,912.21.

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

PASSED AND ADOPTED unanimously by a roll call vote of the Board of Directors of Vista Irrigation District this 3rd day of January 2024.

* * * * *

7. FISCAL YEAR 2023 AUDIT

See staff report attached hereto.

Director of Administration Shallako Goodrick informed the Board that Ms. Shannon Ayala of Davis Farr LLP was not in attendance to present the Fiscal Year 2023 Audit Report. General Manager Brett Hodgkiss suggested trailing Item 7 until Ms. Ayala arrived.

24-01-03	<i>Upon motion by Director MacKenzie, seconded by Director Kuchinsky and unanimously carried (5 ayes: Miller, Kuchinsky, Sanchez, MacKenzie, and Vásquez), the Board of Directors approved trailing Item 7, Fiscal Year 2023 Audit, pending the arrival of Shannon Ayala of Davis Farr LLP.</i>
----------	---

8. FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2023

See staff report attached hereto.

Ms. Goodrick presented the Financial Report for the year ended June 30, 2023. She stated that this report contains statements of revenues and expenses directly related to operating Lake Henshaw and the surrounding Warner Ranch as well as three special reports comparing actual results to budgeted amounts approved by the Board. She stated that the District experienced a \$16.7 million operating loss versus a projected \$7.9 million operating loss primarily due to higher than anticipated expenditures for the San Pasqual Undergrounding Project (SPUP) and pension expense. Ms. Goodrick reviewed and explained the revenue and expense budget comparisons. She also advised the Board that a new account category, Interest Expense, had been added to address a 2023 Governmental Accounting Standards Board rule requiring government agencies to report the calculated present value of multi-year Information Technology subscriptions.

Mr. Hodgkiss provided clarification regarding expenses charged to the Water Rights Legal Fees category shown on the Legal Expenses Report.

9. INVESTMENT POLICY UPDATE

See staff report attached hereto.

Ms. Goodrick stated that the District's Investment Policy (Policy) is governed by California state law; every year the Policy is reviewed to ensure it is compliant with any changes in the law. She said that Senate Bill (SB) 1489, effective January 1, 2023, specified that a security's maximum maturity for compliance purposes is to be measured from its settlement date, and the forward settlement date of an investment cannot exceed 45 days from the time of the investment. Ms. Goodrick reviewed the recommended changes to Section 4.2, Investment Policy, of the District's Rules and Regulations to comply with aforementioned provisions.

24-01-04	<p><i>Upon motion by Director Miller, seconded by Director MacKenzie and unanimously carried (5 ayes: Miller, Kuchinsky, Sanchez, MacKenzie, and Vásquez), the Board of Directors adopted Resolution No. 2024-02 amending Section 4.2, Investment Policy, of Vista Irrigation District's Rules and Regulations.</i></p> <p><i>A copy of Resolution 2024-02 is on file in the official Resolution Book of the District.</i></p>
----------	--

10. DIVISION REPORTS

See staff report attached hereto.

Mr. Hodgkiss reported that the District had resumed releasing water from Lake Henshaw.

Director of Operations and Field Services Frank Wolinski stated that, per the U.S. Environmental Protection Agency's new Lead and Copper Rule revisions, the District is required to post an inventory of all its lead and non-lead service lines on its website by October 2024.

Mr. Wolinski provided clarification regarding the repairs being made to the above ground section of the Twin Oaks siphon.

Director of Engineering Randy Whitmann provided an update on the status of the Edgehill (E) Reservoir Replacement and Pump Station Project.

At 10:11 a.m., Mr. Hodgkiss informed the Board that Ms. Ayala was on the teleconference line and asked if the Board would like to proceed with Item 7, Fiscal Year 2023 Audit, or to move it to the January 17, 2024 Board meeting so that Ms. Ayala could present the audit in person. After a brief discussion, the Board took the following action:

24-01-05	<p><i>Upon motion by Director Miller, seconded by Director Kuchinsky and unanimously carried (5 ayes: Miller, Kuchinsky, Sanchez, MacKenzie, and Vásquez), the Board of Directors approved moving the presentation of the 2023 Fiscal Year Audit to the January 17, 2024 Board meeting.</i></p>
----------	--

11. DISTRICT COMMITTEES AND REPRESENTATIVES TO OUTSIDE ORGANIZATIONS

See staff report attached hereto.

President Vásquez stated that he considered the various committee requests he received from members of the Board and made the following appointments for the 2024 District Committees and

Representatives to Outside Organizations:

2024 Standing Committees

Water Sustainability:	MacKenzie, Chair; and Kuchinsky
Fiscal Policy:	Vásquez, Chair; and Sanchez
Warner Ranch:	Miller, Chair; and MacKenzie
Public Affairs:	Kuchinsky, Chair; and Sanchez
Groundwater:	Vásquez, Chair; and Miller

2024 Outside Organizations

San Luis Rey Watershed Council:	MacKenzie (<i>Alt. Kuchinsky</i>)
ACWA-JPIA:	Sanchez (<i>Alt. Hodgkiss/Kuchinsky</i>)
Southern California Water Coalition:	Miller (<i>Alt. Vásquez</i>)
Groundwater Resources Association:	Vásquez (<i>Alt. Kuchinsky</i>)

24-01-06	<i>Upon motion by Director Miller, seconded by Director Sanchez and unanimously carried (5 ayes: Miller, Kuchinsky, Sanchez, MacKenzie, and Vásquez), the Board of Directors ratified President Vásquez's appointments to District committees and outside organizations.</i>
----------	--

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

See staff report attached hereto.

Director Miller reported that the San Diego County Water Authority (Water Authority) entered into a 50,000 acre foot (af) water transfer agreement with Metropolitan Water District (MWD) and Imperial Irrigation District, saving the Water Authority nearly \$20 million in water transfer costs. He also reported that the Water Authority had dropped its lawsuit and allowed the Fallbrook Public Utility District and the Rainbow Municipal Water District to detach from the Water Authority in exchange for an immediate \$25 million payment from the two districts plus related costs and fees.

The Board took a break at 10:48 a.m. and resumed at 10:58 a.m.

13. MEETINGS AND EVENTS

See staff report attached hereto.

Director Kuchinsky reported that he attended the District's Public Affairs Committee meeting on December 20, 2023 where the preparation of a Communication and Engagement Plan was discussed.

Director Sanchez reported that he also attended the District's Public Affairs Committee meeting. He reported on his attendance at the Colorado River Water Users Conference (CRWUA) where he heard presentations on the future of the Colorado River; the universal theme was the need for more storage and infrastructure. Director Sanchez said he attended a session in which the Upper Basin states (Colorado, New Mexico, Utah and Wyoming) report having more water than they can use and there is no longer a need for conservation.

Director MacKenzie reported on her attendance at CRWUA where she also heard presentations regarding the inability of the Upper Basin states to utilize their full allotment of water. She said that the Indian Bands are not receiving their full Colorado River allotment due to the lack of infrastructure and the Bureau of Reclamation has indicated that they will work closely with the Indian Bands to get the funds needed to construct the infrastructure necessary to receive Colorado River water.

Director Miller reported on his attendance at CRWUA stating that the bulk of the discussion was about the Indians Bands having more water rights than they are able to use with no ability to monetize their water rights. He concluded from various presentations that the Upper Basin states did not seem interested in working with the Lower Basin states (California, Arizona, and Nevada) to come up with a plan for the future use of Colorado River water.

President Vásquez reported on his attendance at the CRWUA conference. He said that a delegation from Mexico was in attendance and continues to be involved in negotiations with the United States regarding Colorado River water allotments. He also heard discussions that focused on the need to allow the Indian Tribes to determine how they choose to use their water allocations.

Director Kuchinsky requested to attend the 2024 Association of California Water Agencies (ACWA) Spring Conference May 7-9, 2024 (tentatively) as well as the MWD Diamond Valley Lake Tour on June 7, 2024. Director Sanchez and Director MacKenzie also requested to attend the ACWA Spring Conference. Director MacKenzie requested to attend the MWD Diamond Valley Lake Tour, the California Special Districts Association (CSDA) Special Districts Legislative Days May 21-22, 2024, the ACWA Symposium on April 10, 2024, the ACWA Legislative Committee Meeting on April 11, 2024, and the Groundwater Resources Association (GRA) Future of Water Symposium (tentatively) on April 23, 2024. Director Miller requested to attend the Vista Chamber of Commerce State of the Community Luncheon on January 22, 2024.

24-01-07	<i>Upon motion by Director Sanchez, seconded by Director Miller and unanimously carried (5 ayes: Miller, Kuchinsky, Sanchez, MacKenzie, and Vásquez), the Board of Directors approved Director Miller to attend the Vista Chamber of Commerce State of the Community Luncheon on January 22, 2024; Directors Kuchinsky, Sanchez and MacKenzie to attend the ACWA Spring Conference May 7-9, 2024; Directors Kuchinsky and MacKenzie to attend the MWD Diamond Valley Lake Tour on June 7, 2024; and Director MacKenzie to attend the GRA Future of Water Symposium on February 23, 2024, the ACWA Symposium on April 10, 2024, the ACWA Legislative Committee meeting on April 11, 2024 and CSDA Special District Legislative Days May 21-22, 2024.</i>
----------	---

14. ITEMS FOR FUTURE AGENDAS AND/OR PRESS RELEASES

See staff report attached hereto.

Mr. Hodgkiss provided clarification regarding the Leak Adjustment Policy future agenda item.

Director MacKenzie suggested adding the review of Director's Compensation as a future agenda item.

15. COMMENTS BY DIRECTORS

President Vásquez commented that after further consideration the projected \$2,700 per acre foot cost for local water that was presented during the recent Vista Flume Replacement Study Workshop seems to be reasonable in comparison to the future cost of purchased water.

Director MacKenzie commented that recently signed SB 69 requires all California Environmental Quality Act notice of determinations and notice of exemptions to be filed with the State Clearinghouse in

addition to the county. She requested that staff update the Board on the implementation of the California Air Resources Board Advanced Clean Fleet regulations at a future meeting.

Director Miller commented that the Sites Reservoir Project was approved to move forward; however, it was immediately halted by a lawsuit. He commented that the Sierra Nevada snowpack was at 25 percent of normal to date.

16. COMMENTS BY GENERAL COUNSEL

None were presented.

17. COMMENTS BY GENERAL MANAGER

Mr. Hodgkiss shared the Engineering-News Record's California Regional Best Projects Award of Merit plaque that the District received for its participation in the SPUP with the Board.

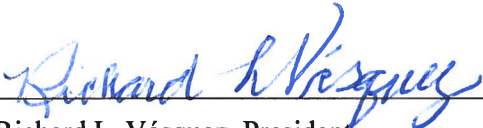
18. CLOSED SESSION TO CONDUCT PUBLIC EMPLOYEE PERFORMANCE EVALUATION –GENERAL MANAGER

President Vásquez adjourned the meeting to closed session at 11:36 a.m. to conduct a Performance evaluation of the General Manager, pursuant to Government Code section 54957.

The meeting reconvened in open session at 12:43 p.m. President Vásquez declared that no reportable action was taken.

19. ADJOURNMENT

There being no further business to come before the Board, at 12:45 p.m. President Vásquez adjourned the meeting to January 17, 2024 at 9:00 a.m.


Richard L. Vásquez, President

ATTEST:



Ramae Ogilvie, Secretary
Board of Directors
VISTA IRRIGATION DISTRICT

Cash Disbursement Report



Payment Dates 11/22/2023 - 12/20/2023

Payment Number	Payment Date	Vendor	Description	Amount
73628 - 73630	11/29/2023	Refund Checks 73628 - 73630	Customer Refunds	1,634.37
73631	11/29/2023	A-1 Irrigation, Inc	SDR Pipe & Couplers	53.93
73632	11/29/2023	Airgas USA LLC	First Aid Kit Supplies	15.46
	11/29/2023		First Aid Kit Supplies	161.61
	11/29/2023		Oxygen & Acetylene	347.97
73633	11/29/2023	Escondido Metal Supply	Bollard Material	293.36
73634	11/29/2023	Amazon Capital Services	Warehouse Supplies	72.62
	11/29/2023		Footwear Program	97.37
	11/29/2023		Headphones (2)	34.40
	11/29/2023		1/2" Impact Universal Joints (10)	149.00
	11/29/2023		HABs Shipping Supplies	204.68
	11/29/2023		Heater, Hitch Pins	74.01
	11/29/2023		Long Trailer Hitch Pin	4.48
73635	11/29/2023	Answering Service Care, LLC	Answering Service	569.00
73636	11/29/2023	Hendey Meter	3" Construction Meters (3)	2,841.56
73637	11/29/2023	Bennett-Bowen & Lighthouse Inc	Magnetic Base Work Lamps (3)	320.98
73638	11/29/2023	Boot Barn Inc	Footwear Program	180.00
	11/29/2023		Footwear Program	174.81
73639	11/29/2023	Boot World Inc	Footwear Program	180.00
73640	11/29/2023	Cecilia's Safety Service Inc	Traffic Control - Breeze Hill Rd	1,520.00
	11/29/2023		Traffic Control - Branding Iron Dr	1,520.00
	11/29/2023		Traffic Control - Camino Loma Verde	4,227.50
	11/29/2023		Traffic Control - Monte Vista Rd & Valley Rd	1,662.50
73641	11/29/2023	City of Vista	Annual Sewer Fee 07/2023 - 06/2024	5,003.33
73642	11/29/2023	CleanCapital HC4 Borrower LLC	Solar Energy 10/2023	2,685.07
73643	11/29/2023	Clinical Lab of San Bernardino Inc	Stage II - 3rd Quarter	920.00
	11/29/2023		Stage II - 4th Quarter	920.00
73644	11/29/2023	Complete Office of California, Inc	Office Supplies	190.78
	11/29/2023		Annual Calendar Order	1,068.12
73645	11/29/2023	CSMFO	Membership Renewal 2024	55.00
73646	11/29/2023	Trace3. LLC	Trace 3 Install Expenses	1,000.00
73647	11/29/2023	Ferguson Waterworks	Adapter 8" DI POxFL (1)	218.00
	11/29/2023		Pipe 6" PVC DR-14 C900 (20)	338.82
	11/29/2023		Wire 10 Copper (1000)	378.88
	11/29/2023		Nut Bolt Gasket Kit 6"-8" (6" gskt) 3/4 x 3 1/4 (6)	125.03
	11/29/2023		Tee 8x6 DI Flange (1)	419.57
	11/29/2023		Coupling 8" Deflection C900 (4)	497.73
	11/29/2023		Corp Stop 1" MIP X Flare (10)	778.75
	11/29/2023		Pipe 8" PVC DR-14 C900 (440)	12,836.29

Payment Number	Payment Date	Vendor	Description	Amount
	11/29/2023		Service Saddle 8x1 PVC (10)	2,106.55
	11/29/2023		Fire Hydrant LB400 Check Valve (1)	2,062.16
	11/29/2023		Coupling 8" Macro (2)	874.90
	11/29/2023		Ell 6"x16" POxFL Bury DI (1)	463.04
	11/29/2023		Gate Valve 6" POxFL R/W (1)	926.02
	11/29/2023		Angle Ball Mtr Valve 1"Flare Swl Mtr Nut Lockwing (9)	1,324.69
	11/29/2023		Gate Valve 8" POxFL R/W (1)	1,463.48
	11/29/2023		Tubing 1" Copper Soft 60' (240)	1,948.50
	11/29/2023		Zinc Anode bag 30lb (10)	2,015.62
73648	11/29/2023	Grainger	Vault Ladder	347.60
73649	11/29/2023	Ciao Pizzeria Ristorante	Employee Appreciation Event	3,475.65
73650	11/29/2023	Habitat Restoration Sciences, Inc	Weed Abatement - Pechstein	5,730.00
73651	11/29/2023	Hach Company	Lab Supplies	1,960.87
73652	11/29/2023	Hawthorne Machinery Co	Teeth & Hardware for CAT Auger	637.71
73653	11/29/2023	Inland Kenworth (US) Inc	Seat Bottom Cushion - Truck 4	353.03
73654	11/29/2023	Ken Grody Ford Carlsbad	Parts - Truck 39	24.24
73655	11/29/2023	Lightning Messenger Express	Messenger Service 11/09/23	88.00
73656	11/29/2023	Mallory Safety and Supply, LLC	Lime Vest Hi-Viz 3XL (3)	67.06
	11/29/2023		Lime Vest Hi-Viz LG (7)	156.48
	11/29/2023		Rain Jacket LG (1)	115.83
	11/29/2023		Rain Pant LG (1)	106.09
73657	11/29/2023	McMaster-Carr Supply Company	Wire Duct - SCADA	(101.19)
	11/29/2023		SCADA Cables & Connectors	275.39
	11/29/2023		Electrical Conduit Clamps	500.58
73658	11/29/2023	North County Auto Parts	Chamois Cloth	14.57
	11/29/2023		Shop Chemicals	26.02
73659	11/29/2023	Pacific Pipeline Supply	Coupling 1"x1" Female Flare x Super Grip (10)	368.05
	11/29/2023		Meter Gasket - 3/4" x 1/16" Thick (200)	71.45
	11/29/2023		4" Gaskets for Nut, Bolt & Gasket Set (20)	30.96
	11/29/2023		Meter Gasket - 3/4" x 1/8" Thick (200)	71.45
	11/29/2023		3" Gaskets for Nut, Bolt & Gasket Set (20)	21.43
	11/29/2023		Meter Gasket - 1" x 1/8" Thick (200)	86.60
	11/29/2023		1" Brass Clamps for Anodes (25)	113.12
	11/29/2023		6" Gaskets for Nut, Bolt & Gasket Set (60)	164.32
	11/29/2023		2" Brass Clamps for Anodes (25)	260.34
	11/29/2023		14" Gaskets for Nut, Bolt & Gasket Set (5)	61.49
	11/29/2023		Coupling / Copper 1" with stop (20)	73.18
	11/29/2023		Tee / 0.75" PVC Sch 40 / S x S x S (10)	4.98
	11/29/2023		Coupling / 0.75" / PVC Sch 40 / S x S (20)	6.50
	11/29/2023		Cap / 1.25" Brass (5)	45.85
73660	11/29/2023	Pollardwater	Chalk Paint	114.65
	11/29/2023		Lockout/Tagout Safety Tags	55.15
73661	11/29/2023	RC Auto & Smog	Smog Inspection - Truck 24	50.00
	11/29/2023		Smog Inspection - Truck 71	90.00

Payment Number	Payment Date	Vendor	Description	Amount
	11/29/2023		Smog Inspection - Truck 8	50.00
	11/29/2023		Smog Inspection - Truck 45	90.00
	11/29/2023		Smog Inspection - Truck 43	90.00
73662	11/29/2023	RS Americas Inc	SCADA Fuses	218.84
	11/29/2023		MLP Well Level Display	592.30
73663	11/29/2023	Sonsray Machinery LLC	Freight for Data Plate - F1	15.00
73664	11/29/2023	Southern Counties Lubricants, LLC	Fuel 11/01/23 - 11/15/23	8,892.89
73665	11/29/2023	Shred-it	Shredding Service	181.40
73666	11/29/2023	Sunbelt Rentals	Concrete	363.11
	11/29/2023		Concrete	523.16
	11/29/2023		Concrete	355.37
	11/29/2023		Concrete	593.52
73667	11/29/2023	Bend Genetics, LLC	HABs Analysis	1,929.00
73668	11/29/2023	UniFirst Corporation	Uniform Service	264.45
73669	11/29/2023	Valley CM, Inc	E Reservoir Replacement & Pump Station 10/2023	35,503.50
73670	11/29/2023	Vulcan Materials Company and Affiliates	Cold Mix	2,660.08
73671	11/29/2023	Weck Laboratories, Inc	UCMR 5 Round 3	1,560.00
73672	11/29/2023	T.S. Industrial Supply	Wood Wedges / 2" x 4" x 12" (90)	126.66
73673	11/29/2023	White Cap Construction Supply	Premixed Fuel (41)	927.15
73674	12/06/2023	Refund Check 73674	Customer Refund	2,231.72
73675 - 73676	12/06/2023	Refund Checks 73675 - 73676	Customer Refunds	1,018.07
73677	12/06/2023	A-1 Irrigation, Inc	Corrugated Roofing - Ranch House Carport	1,078.04
73678	12/06/2023	ACWA/JPIA	Medical & Dental Insurance 01/2024 - Cobra	69.09
	12/06/2023		Medical & Dental Insurance 01/2024 - Cobra	69.09
	12/06/2023		Medical & Dental Insurance 01/2024 - Cobra	69.09
	12/06/2023		Medical & Dental Insurance 01/2024 - Cobra	69.09
	12/06/2023		Medical & Dental Insurance 01/2024 - Cobra	69.09
	12/06/2023		Medical & Dental Insurance 01/2024 - Cobra	69.09
	12/06/2023		Medical & Dental Insurance 01/2024 - Cobra	33.72
	12/06/2023		Medical & Dental Insurance 01/2024 - Employees	197,845.18
	12/06/2023		Medical & Dental Insurance 01/2024 - Retirees	40,324.64
	12/06/2023		Medical & Dental Insurance 01/2024 - P Kuchinsky	1,714.01
	12/06/2023		Medical & Dental Insurance 01/2024 - M Miller	1,714.01
	12/06/2023		Medical & Dental Insurance 01/2024 - P Sanchez	1,714.01
	12/06/2023		Medical & Dental Insurance 01/2024 - R Vasquez	2,128.59
	12/06/2023		Medical & Dental Insurance 01/2024 - J MacKenzie	1,714.01
73679	12/06/2023	Airgas USA LLC	Welding Supplies	37.94
73680	12/06/2023	Amazon Capital Services	Mop & Bucket	41.12
	12/06/2023		Cell Phone Holder	12.94
	12/06/2023		HABs Lab Supplies	44.32
	12/06/2023		Choke Assembly - Truck 20	16.77
	12/06/2023		Parts for Gate Camera	86.16
	12/06/2023		Retirement Gift	375.55
73681	12/06/2023	Brett Hodgkiss	Fall ACWA JPIA/ACWA Conference - R Whitmann	119.63

Payment Number	Payment Date	Vendor	Description	Amount
	12/06/2023		Fall ACWA JPIA/ACWA Conference - R Vasquez	94.00
	12/06/2023		Fall ACWA JPIA/ACWA Conference - J MacKenzie	145.91
	12/06/2023		Fall ACWA JPIA/ACWA Conference - M Miller	145.91
	12/06/2023		Fall ACWA JPIA/ACWA Conference - P Kuchinsky	145.91
	12/06/2023		Fall ACWA JPIA/ACWA Conference - P Sanchez	145.91
	12/06/2023		Fall ACWA JPIA/ACWA Conference - B Hodgkiss	270.54
73682	12/06/2023	California Chamber of Commerce	Membership Dues 2024	899.00
73683	12/06/2023	California Department of Tax and Fee Administration	Water Rights Fee (A012177) 07/2023 - 06/2024	300.00
73684	12/06/2023	CDW Government Inc	InformaCast Advanced - Subscription License 1 Year	2,845.00
73685	12/06/2023	Cecilia's Safety Service Inc	Traffic Control - Seaview Pl	1,092.50
	12/06/2023		Traffic Control - Olive Ave	4,940.00
	12/06/2023		Traffic Control Plan	35.00
	12/06/2023		Traffic Control - Olive Ave	2,755.00
	12/06/2023		Traffic Control - Camino Loma Verde	1,520.00
	12/06/2023		Traffic Control - Links Way	3,135.00
	12/06/2023		Traffic Control - Avocado & Nordahl	1,140.00
	12/06/2023		Traffic Control - Eucalyptus	1,710.00
	12/06/2023		Traffic Control - E Orange St	1,282.50
73686	12/06/2023	Citi Cards	Kitchen & Restroom Supplies	1,078.28
	12/06/2023		Refreshments - Employee Event	94.55
73687	12/06/2023	City Of Escondido	Lake Wohlford Algae Testing 7/2023 - 9/2023	787.50
73688	12/06/2023	Complete Office of California, Inc	Office Supplies	166.62
	12/06/2023		Office Supplies	69.75
	12/06/2023		Office Supplies	(23.82)
73689	12/06/2023	Core & Main	Tee (1), Adapter (1)	1,585.87
73690	12/06/2023	Craneworks Southwest Inc	Hydraulic Hoses - T22	110.85
73691	12/06/2023	Diamond Environmental Services	Portable Restroom Service	135.08
	12/06/2023		Portable Restroom Service	84.23
	12/06/2023		Portable Restroom Service	108.01
	12/06/2023		Portable Restroom Service	100.57
73692	12/06/2023	Direct Energy	Electric 11/2023 - Henshaw Buildings & Grounds	421.22
	12/06/2023		Electric 11/2023 - Henshaw Wellfield	653.00
73693	12/06/2023	DIRECTV	Direct TV Service	111.99
73694	12/06/2023	E&M Electric and Machinery, Inc	SCADA Licensing/Support Renewal - Henshaw	1,572.00
	12/06/2023		SCADA Licensing/Support Renewal - Operations	7,813.00
73695	12/06/2023	EDCO Waste & Recycling Services Inc	Trash Service 11/2023	463.30
73696	12/06/2023	Ferguson Waterworks	Clamp 1x3 Repair Full Circle Orangeburg SS Romac (6)	277.92
	12/06/2023		4" DR14 PVC Pipe (400)	3,524.13
	12/06/2023		Corp Stop 2" MIP X FIP (10)	3,293.94
73697	12/06/2023	Fidelity Security Life Insurance Co (EyeMed)	Vision Insurance 12/2023 - Cobra	30.62
	12/06/2023		Vision Insurance 12/2023 - Cobra	8.78
	12/06/2023		Vision Insurance 12/2023 - Cobra	22.54
	12/06/2023		Vision Insurance 12/2023 - Cobra	14.24
	12/06/2023		Vision Insurance 12/2023 - Cobra	8.78

Payment Number	Payment Date	Vendor	Description	Amount
	12/06/2023		Vision Insurance 12/2023 - Cobra	14.24
	12/06/2023		Vision Insurance 12/2023 - Cobra	14.24
	12/06/2023		Vision Insurance 12/2023 - Employees	1,568.40
	12/06/2023		Vision Insurance 12/2023 - P Kuchinsky	14.24
	12/06/2023		Vision Insurance 12/2023- J MacKenzie	14.24
	12/06/2023		Vision Insurance 12/2023 - M Miller	14.24
	12/06/2023		Vision Insurance 12/2023 - P Sanchez	14.24
	12/06/2023		Vision Insurance 12/2023 - R Vasquez	14.24
73698	12/06/2023	Government Finance Officers Association	GFOA Membership Renewal	160.00
73699	12/06/2023	Grainger	12V Battery	30.86
73700	12/06/2023	Greg Keppler	Reimburse - PE License Renewal	180.00
73701	12/06/2023	Hach Company	CL17 Buffer, Fluoride, pH	1,935.39
	12/06/2023		HPC Media	283.62
73702	12/06/2023	Hawthorne Machinery Co	Caterpillar 420 Backhoe	165,109.32
	12/06/2023		12" & 18" HD Backhoe Buckets (2)	3,512.17
73703	12/06/2023	Hello Deli	Lunch/Mtg 11/28/23 (6) - SLRIA	88.20
	12/06/2023		Lunch/Mtg 11/29/23 (6) - SLRIA	93.12
73704	12/06/2023	Hi-Line Inc	Hardware/Supplies for Garage	481.25
73705	12/06/2023	Home Depot Credit Services	Concrete Stakes - E32	169.57
	12/06/2023		Tools, Drain Cleaner	66.36
	12/06/2023		Recycle Plastic/Lumber Boards	362.51
	12/06/2023		Chain Link Splices	17.54
	12/06/2023		Red Head Wedge Anchors	36.75
	12/06/2023		Tools for Bollard Installation	353.82
	12/06/2023		Ratchet Strap	10.74
	12/06/2023		Concrete, Building Supplies	355.50
	12/06/2023		Paint & Hardware - Road House Carport	516.45
	12/06/2023		PVC, Door Handle - Road House	159.90
	12/06/2023		Lumber - Road House Garage	687.90
	12/06/2023		Meter Box Pump	1,118.21
	12/06/2023		Concrete 60lb bag (56)	331.13
	12/06/2023		Concrete Rapid Set 60lb bag (50)	827.66
73706	12/06/2023	InfoSend Inc	Data Processing/Mailing Service 10/2023	5,956.90
73707	12/06/2023	Jackson & Blanc	Quarterly HVAC Maintenance	3,592.50
73708	12/06/2023	Joe's Paving	Patch Paving	7,788.35
	12/06/2023		Patch Paving	4,679.35
73709	12/06/2023	Jan-Pro of San Diego	Janitorial Service 11/2023	4,497.00
73710	12/06/2023	Ken Grody Ford Carlsbad	Radiator & Parts - Truck 40	1,125.82
73711	12/06/2023	Kimball Midwest	Shop Supplies	157.49
73712	12/06/2023	KRC Rock, Inc	Rock for Culvert Repair	130.50
	12/06/2023		Rock for Culvert Repair	130.50
73713	12/06/2023	Kronick Moskovitz Tiedemann & Girard	Legal 10/2023	4,451.50
73714	12/06/2023	Makelele Systems Landscape & Maintenance, Inc	Landscape Service 11/2023	1,650.00
73715	12/06/2023	McMaster-Carr Supply Company	Material for Installing Railing	272.72

Payment Number	Payment Date	Vendor	Description	Amount
73716	12/06/2023	North County Auto Parts	Brake Pads - Truck 67	(118.95)
	12/06/2023		Starter - Truck 10	285.00
	12/06/2023		Tool for Transmission Lines	15.97
73717	12/06/2023	North County Industrial Park	Association Fees 12/2023	936.59
73718	12/06/2023	Opto 22	SCADA I/O Module (1) - Well 61	420.06
	12/06/2023		SCADA I/O Module (1)	420.07
73719	12/06/2023	O'Reilly Auto Parts	Battery Core - Truck 10	(22.00)
	12/06/2023		Battery - Truck 16	187.93
73720	12/06/2023	Parkhouse Tire Inc	Tire (1) - Truck 11	363.25
73721	12/06/2023	Pollardwater	Debris Caps (7)	547.93
73722	12/06/2023	Powerland Equipment, Inc	Chains for Chainsaws	254.58
73723	12/06/2023	Ramco Petroleum	Fuel 10/2023	2,330.66
73724	12/06/2023	Ramona Disposal Service	Trash Service	327.83
	12/06/2023		Trash Service	327.83
73725	12/06/2023	Richard Vasquez	Replace Payroll Direct Deposit	735.23
73726	12/06/2023	Volvo Construction Equipment & Services	Fuel Filter Bowl & O-Ring - G24	347.72
73727	12/06/2023	San Diego Gas & Electric	Gas 11/2023	875.91
	12/06/2023		Electric 11/2023 - Henshaw Buildings & Grounds	607.05
	12/06/2023		Electric 11/2023 - Henshaw Wellfield	13,837.67
	12/06/2023		Electric 11/2023 - VID Headquarter	6,811.43
	12/06/2023		Electric 11/2023 - Warner Ranch House	64.79
73728	12/06/2023	Shallako Goodrick	Reimburse - CPA License Renewal	280.00
73729	12/06/2023	Sierra Analytical Labs, Inc	HABs Lab Analysis	100.00
73730	12/06/2023	Specialized Office Systems, Inc	Embroidered Hats for Employees - Wellness Grant	2,000.33
73731	12/06/2023	State Water Resources Control Board	Aquatic Pesticide Permit 07/2023 - 06/2024	3,576.00
	12/06/2023		Lanthanum Clay NPDES Permit Fee 7/2023-6/2024	1,120.00
	12/06/2023		Potable Water Discharge Permit 7/2023 - 6/2024	3,576.00
73732	12/06/2023	Stephen Huynh	Reimburse - Employee Appreciation Event	147.26
73733	12/06/2023	Sunroad Vista Land Partners, L.P.	Refund Inspection & As-Built Deposits	29,250.00
73734	12/06/2023	All In Pumping & Septic Inc	Septic Tank Cleaning 11/13/23 -11/4/23 (4)	2,000.00
73735	12/06/2023	Bend Genetics, LLC	HABs Lab Analysis	1,929.00
73736	12/06/2023	Midas Service Experts	Tires (2) - Truck 32	259.54
73737	12/06/2023	Umpqua Bank	Retirement Gift	188.55
	12/06/2023		Lunch Meeting (15)	447.38
	12/06/2023		ACWA Fall Conference -- R Whitmann	520.44
	12/06/2023		CSMFO Conference	308.88
	12/06/2023		CSMFO Conference	308.88
	12/06/2023		CAPPO Conference Registration	495.00
	12/06/2023		CSMFO Conference	515.00
	12/06/2023		CSMFO Membership	125.00
	12/06/2023		Cloud Based Phone System	27.49
	12/06/2023		Microsoft Azure	672.43
	12/06/2023		GFI FaxMaker	15.50
	12/06/2023		Food for Health & Safety Fair	1,522.00

Payment Number	Payment Date	Vendor	Description	Amount
	12/06/2023		ACWA Fall Conference - P Kuchinsky	520.44
	12/06/2023		SDLF/Gov Foundation/Leadership Academy -P Kuchinsky	623.94
	12/06/2023		ACWA Fall Conference & ACWA JPIA - J MacKenzie	780.66
	12/06/2023		ACWA Fall Conference & ACWA JPIA - P Sanchez	1,040.88
	12/06/2023		District Leadership Academy - P Kuchinsky	54.00
	12/06/2023		ACWA Fall Conference - M Miller	520.44
	12/06/2023		Messenger Split Standard SS	74.38
	12/06/2023		Cla-Val CVU 101/201 Training (3 day)	500.00
	12/06/2023		Cla-Val CVU 101/201 Training (3 day)	500.00
	12/06/2023		CSMFO Conference	384.93
	12/06/2023		CSMFO Conference	515.00
	12/06/2023		CSMFO Conference	515.00
	12/06/2023		Teflon Tape	298.77
	12/06/2023		Cloud Based Phone System	27.49
	12/06/2023		Listen Technologies RF System	1,113.85
	12/06/2023		GFI FaxMaker	15.50
	12/06/2023		Microsoft Azure	687.75
	12/06/2023		PSHRA Membership Dues	420.00
	12/06/2023		CRWUA Conference - R Vasquez	401.39
	12/06/2023		CRWUA Conference - J MacKenzie	401.39
	12/06/2023		CRWUA Conference - P Sanchez	401.39
	12/06/2023		CRWUA Conference - M Miller	401.39
	12/06/2023		San Diego Union Tribune Digital Subscription Renewal	116.00
	12/06/2023		CSMFO Membership	135.00
	12/06/2023		SD Union Tribune Digital Subscription Balance	8.92
	12/06/2023		Retirement Gift Repair (to be reimburse)	30.00
	12/06/2023		Misapplied Payment	(14,321.97)
73738	12/06/2023	UniFirst Corporation	Uniform Service	260.46
73739	12/06/2023	Verizon Wireless	Cell Phones	2,295.90
	12/06/2023		SCADA Remote Access	408.33
73740	12/06/2023	WaterISAC	Membership Dues 2024	2,310.00
73741	12/06/2023	T.S. Industrial Supply	Fire Hose Connection Fitting - Truck 28	21.40
	12/06/2023		Gauge 30lb Pressure Oil (1)	25.03
	12/06/2023		Flaring 1" Tool (1)	27.98
	12/06/2023		Gauge 60lb Pressure Oil (2)	50.05
	12/06/2023		Gauge 200lb Pressure Oil (2)	50.05
	12/06/2023		Gauge 100lb Pressure Oil (4)	100.11
	12/06/2023		Shut-Off Tool #85 (1)	385.37
73742	12/06/2023	White Cap Construction Supply	Premixed Fuel	158.29
73743	12/06/2023	Xerox Corporation	Xerox Printing & Supplies	565.02
73744	12/13/2023	Refund Check 73744	Customer Refund	1,489.00
73745	12/13/2023	Refund Check 73745	Customer Refund	117.95
73746 - 73747	12/13/2023	Refund Checks 73746 - 73747	Customer Refunds	5,546.17
73748	12/13/2023	Allie's Party Equip Rental Inc	Employee Appreciation Event - tables & chairs etc..	982.09

Payment Number	Payment Date	Vendor	Description	Amount
73749	12/13/2023	Amazon Capital Services	Warehouse Supplies	397.11
	12/13/2023		Monitor	176.80
	12/13/2023		Seat Covers, Hydraulic Caps	57.65
	12/13/2023		Air Chisel - Truck 75	178.67
	12/13/2023		Warehouse Supplies	30.08
	12/13/2023		Blade Adapters	17.20
	12/13/2023		Warehouse Supplies	51.93
	12/13/2023		Cell Phone Case	14.02
73750	12/13/2023	Bay City Electric Works	4 Hour Load Test - Portable Generator G25	953.20
	12/13/2023		4 Hour Load Test - Portable Generator G24	1,623.20
	12/13/2023		4 Hour Load Test/Maintenance - VID Backup Generator	2,468.84
73751	12/13/2023	Best Best & Krieger LLP	Legal Service 11/2023	192.00
73752	12/13/2023	Bryan and the Bee's	Live Bee Removal (1)	192.50
	12/13/2023		Live Bee Removal (1)	192.50
	12/13/2023		Live Bee Removal (1)	192.50
	12/13/2023		Live Bee Removal (1)	192.50
	12/13/2023		Live Bee Removal (1)	192.50
	12/13/2023		Live Bee Removal (1)	192.50
	12/13/2023		Live Bee Removal (1)	192.50
73754	12/13/2023	Canon Solutions America, Inc	Canon Supplies & Maintenance	195.36
73755	12/13/2023	CDW Government Inc	Unitrends Sure Essentials HW Install	914.76
	12/13/2023		Unitrends Support	3,695.23
	12/13/2023		Unitrends Cloud Subscription - 1 Year	13,873.16
73756	12/13/2023	Cecilia's Safety Service Inc	Traffic Control - Olive Avenue	4,417.00
	12/13/2023		Traffic Control - Vista Village Dr	1,187.50
	12/13/2023		Traffic Control - Foothill Dr	1,092.50
	12/13/2023		Traffic Control - Franklin Lane	902.50
	12/13/2023		Traffic Control - Olive Ave	2,042.50
	12/13/2023		Traffic Control - Camino Loma Verde	3,040.00
73757	12/13/2023	Akeso Occupational Health	New Hire Physical	168.00
73758	12/13/2023	Complete Office of California, Inc	Office Supplies	87.39
	12/13/2023		Office Supplies	20.70
	12/13/2023		Office Supplies	208.55
73759	12/13/2023	Core & Main	4" DR14 PVC Pipe (160)	1,432.37
	12/13/2023		Fire Hydrant Spool (2)	443.65
	12/13/2023		Service Saddle 4x1 PVC (5)	671.15
73760	12/13/2023	Direct Energy	Electric 10/2023 - T & D / Cathodic Protection	506.59
	12/13/2023		Electric 10/2023 - Reservoirs	144.20
	12/13/2023		Electric 10/2023 - Pump Stations	22,272.84
	12/13/2023		Electric 10/2023 - Treatment Plants	103.24
	12/13/2023		Electric 11/2023 - VID Headquarter	2,946.89
73761	12/13/2023	Drug Testing Network Inc	Annual Administrative Fee 01/2024 - 01/2025	150.00
73762	12/13/2023	EDCO Waste & Recycling Services Inc	Trash Service	426.33
73763	12/13/2023	EH Wachs Company	Valve Turner Extension - Truck 11	279.04

Payment Number	Payment Date	Vendor	Description	Amount
73764	12/13/2023	Electrical Sales Inc	LED Lights	389.70
73765	12/13/2023	Employee Relations, Inc	Background Check	77.72
73766	12/13/2023	Fountain Car Wash	Car Wash Tokens (660)	600.00
73767	12/13/2023	Ferguson Waterworks	Air Vent 2" ARI Combination Valve (1)	627.85
	12/13/2023		Service Saddle 12x1 Brass AC (3)	791.25
	12/13/2023		Coupling 12" Deflection C900 (3)	1,051.64
	12/13/2023		Air Vent 1" ARI Combination Valve (6)	1,601.67
	12/13/2023		Coupling 1"x1" Female Flare x Super Grip (15)	499.30
	12/13/2023		Rubber Kits for Regulator	5,614.98
	12/13/2023		Tracer Lids 4" Cast Iron (15)	270.35
	12/13/2023		Lid 10" Slotted Valve (VID) (30)	1,961.49
	12/13/2023		Lid 8" Slotted Valve (VID) (700)	23,679.69
	12/13/2023		Fire Hydrant Repair Parts	612.82
	12/13/2023		Stems for Fire Hydrant (1)	221.91
	12/13/2023		Aquaphalt Patch Material	2,114.12
73768	12/13/2023	Government Finance Officers Association	Membership Dues	150.00
73769	12/13/2023	Hoch Consulting	Olive Avenue Design 5/2023 - 07/2023	4,127.50
73770	12/13/2023	HydroPro Solutions	Freight	25.00
	12/13/2023		OCTAVE ENC W/5' NICOR V4 (1)	147.39
	12/13/2023		Nicor to Itron Adapter (1)	28.30
	12/13/2023		Nicor Tamper Seal (For Female) (1)	1.76
	12/13/2023		3" Stainless Steel OCTAVE Flo Meter (1)	1,935.38
	12/13/2023		Nicor Tamper Seal (For Female End) (1)	2.27
	12/13/2023		Freight	25.00
	12/13/2023		4" x 14" Octave Meter w/No module (1)	3,432.79
	12/13/2023		Encoder Module w/5' Nicor Cable (1)	189.15
	12/13/2023		Nicor to Itron Adapter (1)	36.33
73771	12/13/2023	IDEXX Distribution Corporation	Bac-T Media, Bottles	4,676.60
73772	12/13/2023	Itron Inc	Hardware/Software Maintenance	10,999.52
73773	12/13/2023	Jo MacKenzie	Reimburse - Travel Expenses 11/2023	217.86
73774	12/13/2023	Ken Grody Ford Carlsbad	Replaced Fuel Pump, Oil Cooler, Thermostat - Trk 49	6,721.82
	12/13/2023		Transmission Line Latches (78)	15.88
73775	12/13/2023	Kimball Midwest	O-Rings (30)	79.89
73776	12/13/2023	Lanair Technology Group	SECURE Breach Prevention Platform - 100 Users	180.00
73777	12/13/2023	Major League Pest	Monthly Pest Control	225.00
73778	12/13/2023	McMaster-Carr Supply Company	Bearing for Beveling Tool (6)	60.50
	12/13/2023		Bearings (6)	60.50
73779	12/13/2023	Moodys	Dump & Oversize Fee (1)	600.00
	12/13/2023		Dump & Oversize Fees (4)	1,500.00
	12/13/2023		Dump Fees (4)	1,200.00
73780	12/13/2023	MRC, Smart Technology Solutions	Manage Printer Services	334.76
73781	12/13/2023	NAPA Auto Parts	Filters (4)	69.65
73782	12/13/2023	North County Auto Parts	Shop Chemicals, Oil, Wiper Blades	289.18
	12/13/2023		Coolant Filter - Truck 26	46.92

Payment Number	Payment Date	Vendor	Description	Amount
	12/13/2023		Oil	54.10
	12/13/2023		Spark Plugs (10)	36.37
73783	12/13/2023	Toyota Carlsbad	Replaced Rack & Pinion Unit - Truck 8	1,382.46
73784	12/13/2023	O'Reilly Auto Parts	Battery - W4	143.49
73785	12/13/2023	Pacific Pipeline Supply	ARI Repair Kits (20)	1,205.57
	12/13/2023		Service Saddles (3)	618.44
73786	12/13/2023	Pacific Safety Center	Traffic Control/Flagger Safety	195.00
73787	12/13/2023	Patrick Sanchez	Reimburse - Travel Expenses 11/2023	228.81
73788	12/13/2023	Peter Kuchinsky	Reimburse - Travel Expenses 11/2023	159.82
73789	12/13/2023	PlanetBids, LLC	Insurance Certificate Management Software Yr 1	6,475.00
73790	12/13/2023	Pollardwater	8" Debris Cap	594.53
73791	12/13/2023	Quarles & Brady LLP	Sexual Harassment Training	7,500.00
73792	12/13/2023	Ramco Petroleum	Fuel 11/2023	3,116.48
73793	12/13/2023	RC Auto & Smog	Smog Inspection - Truck 15	90.00
	12/13/2023		Smog Inspection - Truck 32	50.00
73794	12/13/2023	Richard Vasquez	Reimburse - Travel Expenses 11/2023	189.82
73795	12/13/2023	Rincon del Diablo MWD	MD Reservoir Water Service	(14.16)
	12/13/2023		MD Reservoir Water Service	54.54
73796	12/13/2023	Volvo Construction Equipment & Services	A/C Repair - E3	976.75
73797	12/13/2023	San Diego Gas & Electric	Electric 11/2023 - T&D	90.99
	12/13/2023		Electric 11/2023 - Reservoirs	239.06
73798	12/13/2023	SignArt	"Renewable Diesel" Decals	36.16
73799	12/13/2023	Southern Counties Lubricants, LLC	Fuel 11/16/23 - 11/30/23	6,251.39
73800	12/13/2023	Spok, Inc	Pagers	51.06
73801	12/13/2023	State Water Resources Control Board	Lab Assessment Fee	6,500.00
73802	12/13/2023	Shred-it	Shredding Service	180.06
73803	12/13/2023	Stillwater Sciences	As-Needed HABs Consulting 10/2023	6,319.55
73804	12/13/2023	Summit Erosion Control	Gravel Bag / Poly / 30 lb / 3/4" (400)	779.40
	12/13/2023		Delivery Fee (1)	200.00
	12/13/2023		Pallet, Cardboard & Shrink Wrap (4)	86.60
73805	12/13/2023	Sunbelt Rentals	Concrete	368.79
73806	12/13/2023	Sunrise Materials Inc	Concrete Accelerator	74.69
	12/13/2023		Pea Gravel	48.71
73807	12/13/2023	The UPS Store 0971	Shipping 11/2023	790.97
	12/13/2023		Shipping 11/2023	14.31
73808	12/13/2023	Bend Genetics, LLC	HABs Lab Analysis	2,271.00
73809	12/13/2023	Midas Service Experts	Tires (4) - Truck 15	1,078.94
	12/13/2023		Tire (1) & Alignment - Truck 8	229.52
73810	12/13/2023	Underground Service Alert of Southern California	New DigAlert Tickets 11/2023 (211)	379.25
	12/13/2023		Safe Excavation Board Fees	153.74
73811	12/13/2023	UniFirst Corporation	Uniform Service	260.46
	12/13/2023		Uniform Service	260.46
	12/13/2023		Uniform Service	323.47
73812	12/13/2023	Vinje & Middleton Engineering Inc	Compaction Test - Olive Ave (Phase II)	533.75

Payment Number	Payment Date	Vendor	Description	Amount
73813	12/13/2023	Vista Printing	Business Cards	56.96
73814	12/13/2023	West Coast Civil, Inc	Water Main Abandonment - Independence Way	3,920.00
73815	12/13/2023	T.S. Industrial Supply	Fitting - Truck 28	72.84
	12/13/2023		Twisted Nylon Twine / Pink / 275'	15.43
	12/13/2023		Max Earplug / Uncorded / 200 per box (1)	38.97
	12/13/2023		Blue Stake Chasers / 8 Bundles of 25 (8)	36.37
	12/13/2023		Construction Marking Paint Blue #254 (12)	55.90
	12/13/2023		White Paint Brush / 4" (20)	56.94
	12/13/2023		Duct Tape / 2" x 60 Yd (4)	57.29
	12/13/2023		Maxi Flex Gloves/ Large /Size 9 / Maroon Cuff (13)	66.90
	12/13/2023		Maxi Flex Gloves /Medium / Size 8 / Green Cuff (12)	66.90
	12/13/2023		Nemesis Safety Glasses / Smoke / Black Frame (12)	76.51
	12/13/2023		Striping Paint Black #770 (12)	99.37
	12/13/2023		Striping Paint White #710 (24)	198.75
	12/13/2023		Striping Paint Blue #750 (24)	198.75
	12/13/2023		Pipe Wrap Tape / Black / 2" x 100' / 10 Mil (24)	227.33
	12/13/2023		Counter Brush/Horsehair & Plastic / 9" (3)	27.86
	12/13/2023		Electrical Tape / Black / 3/4" x 60' / 7 Mil (40)	67.12
	12/13/2023		Suction Hose for Vacuum Excavator - Truck 11	326.70
	12/13/2023		High Pressure Spray Tips (2)	209.31
73816	12/13/2023	Bryan Lowen	Reimburse - Tuition 12/2023	3,200.00
Grand Total:				933,912.21



STAFF REPORT

Agenda Item: 7

Board Meeting Date: January 3, 2024
Prepared By: Shallako Goodrick
Approved By: Brett Hodgkiss

SUBJECT: FISCAL YEAR 2023 AUDIT

RECOMMENDATION: Accept the Fiscal year 2023 audit report by Davis Farr LLP.

PRIOR BOARD ACTION: None.

FISCAL IMPACT: None by this action. The fees for Fiscal Year 2023 audit services are \$25,000.

SUMMARY: The District's independent auditors, Davis Farr LLP, are issuing an unmodified opinion on the District's Financial Section in the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. The ACFR 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. Shannon Ayala, CPA, Principal, Davis Farr LLP, will be in attendance to present the audit.

ATTACHMENTS:

- ACFR for the year ended June 30, 2023
- Summary of Audit Results Letter for the year ended June 30, 2023
- Management Letter for the year ended June 30, 2023
- Best Practices Letter for the year ended June 30, 2023



2023

Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2023

A background image of a blue water splash with many bubbles, spanning the width of the page.

100 *years*

Service and Stewardship Since 1923

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
Annual Comprehensive Financial Report
For Fiscal Year Ended June 30, 2023
Table of Contents**

	<u>Table No.</u>	<u>Page Number</u>
 <u>Introductory Section</u>		
Organization Chart		i
Transmittal Letter		ii
Certificate of Achievement for Excellence in Financial Reporting		vii
 <u>Financial Section</u>		
Independent Auditor's Report		1
Management's Discussion and Analysis		4
Basic Financial Statements		
• Statements of Net Position		9
• Statements of Revenues, Expenses and Changes in Net Position		11
• Statements of Cash Flows		12
• Notes to Financial Statements		14
Required Supplementary Information		
• Schedule of the Proportionate Share of the Plan's Net Pension Liability and Related Ratios		42
• Schedule of Contributions - Pension Plan		43
• Schedule of Changes in the net OPEB Liability and Related Ratios		44
• Schedule of Contributions - OPEB		45
 <u>Statistical Section</u>		
Table of Contents		46
Net Position by Component - Last Ten Fiscal Years	I	47
Changes in Net Position - Last Ten Fiscal Years	II	48
Water Sales by User Type - Last Ten Fiscal Years	III	49
Service Connections - Last Ten Fiscal Years	IV	50
Water Rates - Last Ten Fiscal Years	V	51
Principal Water Customers - Current and nine years prior	VI	52
Demographic and Economic Statistics - Last Ten Fiscal Years	VII	53
Principal Employers - Current and nine years prior	VIII	54
Number of Employees - Last Ten Fiscal Years	IX	55
Operating and Capital Indicators - Last Ten Fiscal Years	X	56

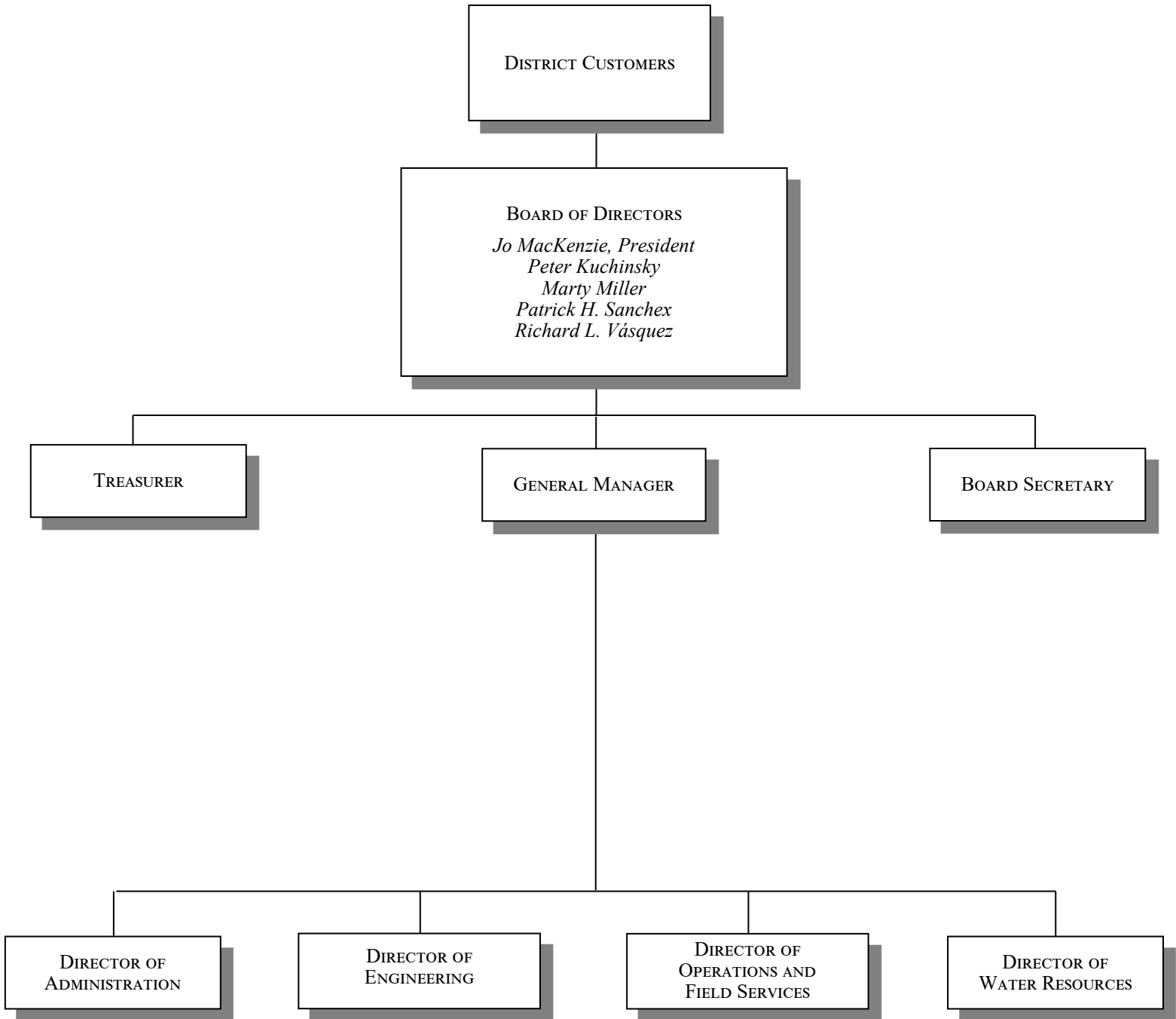
This Page Intentionally Blank



Introductory Section



**Organization Chart
As of June 30, 2023**





1391 Engineer Street • Vista, California 92081-8840

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

www.vidwater.org

Board of Directors

Jo MacKenzie, *President*

Peter Kuchinsky

Marty Miller

Patrick H. Sanchez

Richard L. Vásquez

Administrative Staff

Brett L. Hodgkiss

General Manager

Lisa R. Soto

Board Secretary

November 20, 2023

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) Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. 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 the 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.

Davis Farr LLP, a firm of licensed certified public accountants, has audited the District's financial statements. 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, 2023, 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, 2023, 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 88 under the direction of the Board-appointed General Manager.

Water Services

The District serves more than 29,000 customers. Typically, 15 to 25 percent of the District's water comes from its local water supply, Lake Henshaw, and remainder comes from purchased water sources, including the Colorado River, desalinated seawater and the Sacramento River/San Joaquin River Delta in Northern California. In years when Lake

Henshaw is low, over 90 percent of the water delivered to customers would come from purchased water sources via SDCWA. The District currently delivers approximately 14,300 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 has a permitted capacity of 75 million gallons per day and treats raw water before it is delivered to customers.

Local Economy

District Economic Results

The estimated population of the District is 130,583. According to the San Diego Association of Governments, the per capita personal income of residents in the City of Vista, which encompasses the majority of the District, was \$66,068 in 2022. From 2012 to 2022 the population increased 2.9%, and median household income (adjusted for inflation) increased by 79.6%.

The District's total service connections increased from 29,056 to 29,083 in Fiscal Year 2023. Water sales during that same period were 14,346 acre feet, down 2,098 acre feet or 12.1% from sales of 16,444 in Fiscal Year 2022. Of the 14,346 acre feet, or 4.7 billion gallons sold in Fiscal Year 2023, 72% was distributed for residential use, 12% for industrial and commercial use, 11% for landscape irrigation use, 4% for agricultural use and 1% for governmental use.

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

During 2021 and 2022, the SDCWA was successful in its decade-long rate case litigation against MWD and received payments for damages interest and legal fees from MWD totaling over \$91.1 million. The SDCWA Board of Directors distributed pro-rata shares to each of its member agencies. There were a total of four distributions made to each member

agency, two in each year; three of the distributions were based on each member agency's purchases of municipal and industrial (M&I) water from 2011 to 2014 and one distribution was based on each member agency's purchases of M&I water from 2015 through 2017.

Vista Irrigation District received its pro-rata share of the disbursements totaling \$3,183,170.62 during 2021 and 2022 (\$1,571,006 in February 2021; \$1,227,642.91 in November 2021; \$369,938.92 in June 2022; and \$14,582.44 in August 2022). The District's Board of Directors approved using the monies received to offset the financial impact of SDCWA rate increases beginning in April 2022 and continuing over a five-year period.

Long-Term Financial Planning

New facilities and system improvements are funded by water rates and service fees. Water rates and service fees are increased over time based on the long-range capital improvement plan to replace facilities. 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 capital improvement reserve account. Funds in the capital improvement program reserve account are used to pay for construction projects in years that the costs of construction projects exceed the amount collected from water rates. Financing options may need to be considered and utilized should the cost of a large capital project exceed the amount available on a "pay-as-you-go" basis and/or in the capital improvement program reserve.

Major Initiatives

Mainline Replacement Program

In 1995, the District's 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 of Directors has allocated \$37.1 million to the program, which has allowed the replacement of nearly 40.03 miles of older pipe ranging in size from 4 to 20 inches.

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 the District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. 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 Annual Comprehensive Financial Report 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 Davis Farr 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



Shallako Goodrick, CPA
Director of Administration



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Vista Irrigation District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

This Page Intentionally Blank



Financial Section

This Page Intentionally Blank

Independent Auditor's Report

Board of Directors
Vista Irrigation District
Vista, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Vista Irrigation District (the District), as of and for the year June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the District, as of June 30, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As described further in Note 9 to the financial statements, during the year ended June 30, 2023, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Accounting for Subscription Based Information Technology Arrangements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis, the Schedule of the Proportionate Share of the Plan's Net Pension Liability and Related Ratios, Schedule of Contributions – Pension Plan, Schedule of Changes in the Net OPEB Liability and Related ratios and Schedules of Contributions – OPEB* be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Summarized Comparative Information

We have previously audited the District's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 18, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the *introductory section* and *statistical section* but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2023 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 solely 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 the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

DavisFarrLLP

Irvine, California
November 16, 2023

This Page Intentionally Blank

**VISTA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Our discussion and analysis of the Vista Irrigation District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the District's financial statements, which begin on page 9. 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:

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

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

- Investment in capital assets
- Unrestricted

The Statement of Net Position provides the basis for evaluating the capital structure of the District and assessing its liquidity and financial flexibility.

The Statement of Revenues, Expenses and Changes in Net Position presents 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 Statement of Revenues, Expenses and Changes in Net Position measures the success of the District's operations during the year and determines whether the District has recovered its costs through user fees and other charges.

The Statement of Cash Flows provides information regarding the District's cash receipts and cash disbursements during the year. This statement reports cash activity in four categories:

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

This statement differs from the Statement 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 YEAR ENDED JUNE 30, 2023**

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

Financial Highlights

- Overall, operating revenues increased 0.1%, while operating expenses increased by 47.3%.
- The District realized a \$16.7 million operating loss for fiscal year 2023 compared to a \$6.2 million operating gain in fiscal year 2022. The decrease is primarily the result of two significant cost increases:
 1. The District incurred \$19.5 million in expenses in the current fiscal year to underground a portion of the Escondido Canal pursuant to the San Luis Rey Indian Water Rights Settlement Agreement (Settlement Agreement), further discussed in Note 10 to the Financial Statements. For the same project, the District incurred \$2.4 million in expenses in fiscal year 2022.
 2. The District incurred \$5.3 million in pension expense in the current fiscal year, compared to \$2.9 million in pension income gain in the prior fiscal year. The prior year's income was due to the high performance of the pension investment portfolio. The pension investment portfolio was expected to reverse direction in the current fiscal year resulting in a large year-over-year difference resulting in a significantly higher expense.

**VISTA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Financial Analysis of the District

Net Position - The District's overall net position decreased \$14.4 million between fiscal years 2022 and 2023, from \$139.6 to \$125.2 million, primarily due to an operating loss of \$16.7 million, offset by \$1.3 million in investment income. The investment in capital assets increased \$7.0 million in 2023, 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>2023</u>	<u>2022</u>
Current assets	\$ 39.9	\$ 59.9
Capital assets	118.0	111.0
Other noncurrent assets	<u>2.7</u>	<u>4.1</u>
Total Assets	<u>160.6</u>	<u>175.0</u>
Deferred outflows of resources	<u>14.6</u>	<u>5.3</u>
Current liabilities	17.2	17.0
Noncurrent liabilities	<u>26.6</u>	<u>10.6</u>
Total Liabilities	<u>43.8</u>	<u>27.6</u>
Deferred inflows of resources	<u>6.2</u>	<u>13.1</u>
Net Position:		
Investment in capital assets	118.0	111.0
Unrestricted	<u>7.2</u>	<u>28.6</u>
Total Net Position	<u>\$ 125.2</u>	<u>\$ 139.6</u>

**VISTA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Change in Net Position – In fiscal year 2023, the District's operating revenues increased by 0.1% to \$55.1 million; 96.0% of operating revenues came from water sales and service charge revenues.

During fiscal year 2023, the District's operating expenses increased 47.3% to \$71.8 million primarily due to increased expenses related to undergrounding for the Escondido Canal, pursuant to the Settlement Agreement, along with higher pension expense.

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

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Water sales, net	\$ 52.9	\$ 53.4
System fees	0.9	0.3
Property rentals	0.9	0.9
Other services	<u>0.4</u>	<u>0.3</u>
Total Operating Revenues	<u>55.1</u>	<u>54.9</u>
Operating Expenses	<u>71.8</u>	<u>48.7</u>
Operating Income (Loss)	<u>(16.7)</u>	<u>6.2</u>
Nonoperating Revenues (Expenses)		
Investment income (loss)	1.3	(0.1)
Property taxes	0.7	0.6
Loss on disposal of capital assets	<u>-</u>	<u>(1.7)</u>
Total Nonoperating Revenues (Expenses)	<u>2.0</u>	<u>(1.2)</u>
Contributed Capital	<u>0.3</u>	<u>0.9</u>
Changes in Net Position	(14.4)	5.9
Total Net Position - beginning	<u>139.6</u>	<u>133.7</u>
Total Net Position - ending	<u>\$ 125.2</u>	<u>\$ 139.6</u>

**VISTA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Capital Assets

At June 30, 2023, the District had invested \$219.0 million in capital assets with \$101.0 million in accumulated depreciation. Net capital assets increased \$7.0 million as a result of capital acquisitions exceeding the annual depreciation and dispositions. During the year, the District added \$10.7 million of capital assets. The largest capital additions were \$5.9 million for reservoir rehabilitation, \$3.3 million in costs for several mainline replacement projects, and \$0.6 million for a flume replacement alignment study/repair. This year's capital reductions included the disposal of pipelines and the flume roof repair for a total cost of \$90 thousand in disposals. Depreciation for the year was \$3.7 million.

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

	<u>2023</u>	<u>2022</u>
Land, franchises and water rights	\$ 5.4	\$ 5.4
Buildings, canals, pipelines, reservoirs and dams	98.1	95.7
Equipment	2.6	2.6
Henshaw pumping project	0.2	0.2
Construction in progress	<u>11.7</u>	<u>7.1</u>
Total Capital Assets, Net	<u>\$ 118.0</u>	<u>\$ 111.0</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, 2023, the District had no debt and has no immediate need to issue debt.

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
STATEMENT OF NET POSITION
JUNE 30, 2023
(with prior year comparative data)

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets:		
Cash and cash equivalents (note 2)	\$ 15,882,480	\$ 29,697,941
Investments (note 2)	13,295,831	19,271,410
Accounts receivable, net (note 3)	8,916,882	9,238,601
Lease receivable, short-term (note 8)	402,864	454,849
Taxes receivable	42,090	42,669
Accrued interest receivable	28,071	27,408
Other receivable	130,362	112,209
Inventories of materials and supplies	843,232	723,669
Prepaid expenses and other current assets	372,873	309,384
Total Current Assets	<u>39,914,685</u>	<u>59,878,140</u>
Noncurrent Assets:		
Capital assets: (note 4)		
Depreciable assets, net of accumulated depreciation:		
Buildings, canals, pipelines, reservoirs and dams	98,080,277	95,658,312
Equipment	2,579,067	2,584,834
Henshaw pumping project	168,691	210,788
IT subscription asset (note 9)	50,075	-
Nondepreciable assets:		
Land, franchises and water rights	5,453,295	5,453,295
Construction in progress	11,675,340	7,125,220
Total capital assets	<u>118,006,745</u>	<u>111,032,449</u>
Net OPEB asset (note 7)	49,666	1,178,104
Lease receivable, long-term (note 8)	2,603,669	2,892,144
Total Noncurrent Assets	<u>120,660,080</u>	<u>115,102,697</u>
Total Assets	<u>160,574,765</u>	<u>174,980,837</u>
Deferred Outflows of Resources		
Pension related (note 6)	14,141,886	5,207,549
Other post-employment benefits (OPEB) related (note 7)	514,889	162,991
Total Deferred Outflows of Resources	<u>14,656,775</u>	<u>5,370,540</u>

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

(Continued)

VISTA IRRIGATION DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023
(with prior year comparative data)

	<u>2023</u>	<u>2022</u>
Liabilities		
Current Liabilities:		
Accounts payable	\$ 11,005,199	\$ 13,694,981
Deposits	1,114,738	494,330
Compensated absences, short-term (note 1)	435,864	461,017
Accrued expenses and other liabilities, short term (note 5)	4,584,349	2,392,259
IT subscription liability, short-term (note 9)	50,668	-
Total Current Liabilities	<u>17,190,818</u>	<u>17,042,587</u>
Noncurrent Liabilities:		
Compensated absences, long-term (note 1)	1,090,240	1,193,370
Accrued expenses and other liabilities, long-term (note 5)	1,803,616	2,445,805
Net pension liability (note 6)	23,743,555	6,936,401
Total Noncurrent Liabilities	<u>26,637,411</u>	<u>10,575,576</u>
Total Liabilities	<u>43,828,229</u>	<u>27,618,163</u>
Deferred Inflows of Resources		
Pension related (note 6)	2,726,630	8,230,655
OPEB related (note 7)	739,288	1,656,363
Lease related (note 8)	2,766,576	3,176,944
Total Deferred Inflows of Resources	<u>6,232,494</u>	<u>13,063,962</u>
Net Position		
Net investment in capital assets	117,956,077	111,032,449
Unrestricted	7,214,740	28,636,803
Total Net Position	<u>\$ 125,170,817</u>	<u>\$ 139,669,252</u>

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

VISTA IRRIGATION DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023
(with prior year comparative data)

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Water sales, net (note 3)	\$ 52,858,157	\$ 53,384,918
System fees	921,233	353,720
Property rentals	913,042	903,963
Other services	370,786	352,059
Total Operating Revenues	<u>55,063,218</u>	<u>54,994,660</u>
Operating Expenses		
Purchased water	25,009,400	27,362,036
Contractual services	24,152,930	7,034,273
Wages and benefits	16,723,300	8,510,447
Depreciation and amortization	3,702,966	3,582,582
Supplies	2,146,360	1,717,651
Power	623,560	707,904
Office and general	533,828	440,896
Insurance	360,513	255,617
Professional fees	359,041	420,146
Communications	58,823	50,340
Burden allocation	(1,863,755)	(1,339,074)
Total Operating Expenses	<u>71,806,966</u>	<u>48,742,818</u>
Operating Income (Loss)	<u>(16,743,748)</u>	<u>6,251,842</u>
Nonoperating Revenues (Expenses)		
Investment income (loss)	1,321,865	(85,371)
Property taxes	662,402	573,205
Other nonoperating revenues	-	4,494
Loss on disposal of capital assets	(621)	(1,739,448)
Interest expense (note 9)	(2,403)	-
Total Nonoperating Revenues (Expenses)	<u>1,981,243</u>	<u>(1,247,120)</u>
Income (Loss) Before Contributed Capital	(14,762,505)	5,004,722
Contributed Capital	264,070	905,140
Change in Net Position	<u>(14,498,435)</u>	<u>5,909,862</u>
Total Net Position - beginning	<u>139,669,252</u>	<u>133,759,390</u>
Total Net Position - ending	<u>\$ 125,170,817</u>	<u>\$ 139,669,252</u>

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

**VISTA IRRIGATION DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
(with prior year comparative data)**

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Receipts from customers	\$ 55,015,618	\$ 54,516,560
Payments to suppliers	(58,793,959)	(39,788,502)
Payments to employees	(8,496,914)	(8,327,791)
Collection of deposits	1,224,574	620,489
Return of deposits	(604,166)	(643,270)
MWD rebate proceeds	14,582	1,597,582
Net Cash Provided (Used) by Operating Activities	<u>(11,640,265)</u>	<u>7,975,068</u>
Cash Flows From Noncapital Financing Activities		
Receipts from property taxes	<u>660,577</u>	<u>567,930</u>
Net Cash Provided by Noncapital Financing Activities	<u>660,577</u>	<u>567,930</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds from disposal of capital assets	4,175	35,393
Acquisition and construction of capital assets	(10,417,987)	(6,269,821)
Proceeds from property leases	<u>281,258</u>	<u>193,169</u>
Net Cash Used by Capital and Related Financing	<u>(10,132,554)</u>	<u>(6,041,259)</u>
Cash Flows From Investing Activities		
Proceeds from maturities of investments	19,500,000	19,500,000
Interest on cash and investments	835,048	(51,969)
Purchase of investments	<u>(13,038,267)</u>	<u>(19,326,114)</u>
Net Cash Provided by Investing Activities	<u>7,296,781</u>	<u>121,917</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(13,815,461)	2,623,656
Cash and Cash Equivalents - beginning	<u>29,697,941</u>	<u>27,074,285</u>
Cash and Cash Equivalents - ending	<u>\$ 15,882,480</u>	<u>\$ 29,697,941</u>

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

(Continued)

**VISTA IRRIGATION DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
(with prior year comparative data)**

	<u>2023</u>	<u>2022</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income (loss)	\$ (16,743,748)	\$ 6,251,842
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	3,702,966	3,582,582
Other nonoperating expenses	(336,584)	(358,728)
 Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:		
Accounts receivable, net	321,719	(230,172)
Other receivable	(18,153)	15,121
Inventories of materials and supplies	(119,563)	(87,365)
Prepaid expenses and other assets	(63,489)	5,613
Net OPEB asset	1,128,438	(1,178,104)
Deferred outflows of resources	(9,286,235)	601,393
Accounts payable	(2,689,782)	3,490,440
Deposits	620,408	(22,781)
Accrued expenses and other liabilities	1,585,988	1,221,394
Compensated absences	(128,284)	228,542
Net pension liability	16,807,154	(11,864,268)
Net OPEB liability	-	(1,155,368)
Deferred inflows of resources	(6,421,100)	7,474,927
Net Cash Provided (Used) by Operating Activities	<u>\$ (11,640,265)</u>	<u>\$ 7,975,068</u>
 Noncash Investing, Capital and Financing Activities		
Contributed capital assets	\$ 264,070	\$ 905,140
Change in fair value of investments	\$ 486,155	\$ (49,266)

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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 21,078 acres. Historically, the District has received between 15% to 25% 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 remainder 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). 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 Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, the Statement 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
FOR THE YEAR ENDED JUNE 30, 2023**

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 Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Use of Estimates

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

Cash and Cash Equivalents

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

Investments

Investments are reported at fair value in the Statement of Net Position. All investment income, including changes in the fair value of investments, is recognized as revenues in the Statement of Revenues, Expenses, and Changes in Net Position. Investments that are not traded on a market, such as investments in external pools, are valued based on the stated fair value as represented by the external pool.

Accounts Receivable

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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 \$20,000 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
IT subscription asset	The estimated life of the leased asset or the contract term, whichever is shorter

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, 2023, compensated absences, current portion was \$435,864, and long-term portion was \$1,090,240.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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.

Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, 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	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability (asset) 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.

GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, 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	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District has pension-related and other postemployment benefits-related items in this category.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until then. The District has pension-related, other postemployment benefits-related, and lease-related items in this category.

Leases

The District is a lessor for various noncancellable leases of land for cell towers and other third parties. The District recognizes a lease receivable and a deferred inflow of resources in the Statement of Net Position.

At the commencement of the lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. During the term of the lease, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease start date. The deferred inflow of resources is recognized as lease revenue over the life of the lease term.

Estimates and judgements are made by the District to determine (1) the discount rate to use to discount the expected lease receipts to present value, (2) the term of the lease, and (3) lease receipts.

The District uses an average imputed interest rate for borrowing as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are comprised of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivable and deferred inflows of resources if changes occur that are expected to significantly affect the amount of the lease receivable.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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

Subscription-Based Information Technology (IT) Arrangements

The District is a participant in subscription-based IT arrangements as detailed in Note 9. The District recognizes a subscription-based IT payable and a right-to-use IT asset in the financial statements.

At the commencement of the arrangement, the District initially measures the payable at the present value of payments expected to be paid during the arrangement term. Subsequently, the payable is reduced by the principal portion of payments made. The right-to-use assets are initially measured at the initial amount of the subscription-based payable. Subsequently, the right-to-use assets are amortized over the life of the arrangement term.

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
FOR THE YEAR ENDED JUNE 30, 2023**

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

Net Position

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

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

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the 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.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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

Risk Management

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

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

Property Loss - Insured up to \$500,000,000 per occurrence, except boiler & machinery \$100,000,000 per occurrence, earthquake \$2,500,000 program aggregate, and flood \$25,000,000 (total insurable value \$36,678,397). Deductibles are as follows: \$5,000 for buildings, personal property, mobile equipment, licensed vehicles/trailers; \$25,000 for boiler & machinery, except \$50,000 if turbine or power generation equipment; 5% of TIV for earthquake; and \$100,000 for flood. The Authority is self-insured up to \$10,000,000 per occurrence and excess insurance coverage has been purchased.

General, Auto & Public Officials Errors & Omissions Liability - Insured up to \$55,000,000 per occurrence, except terrorism \$5,000,000, communicable disease \$10,000,000, PFAS \$10,000,000, subsidence \$45,000,000, lead \$45,000,000, and mold \$45,000,000, with no deductible; 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.

Cyber Liability - Insured up to \$2,000,000 per member/\$5,000,000 aggregate with up to \$100,000 deductible depending on total insurable values.

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.

Dam Failure Liability - up to \$4,000,000 per occurrence; the District's self-insured retention is \$1,000,000 and excess coverage has been purchased.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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

Risk Management (Continued)

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.

Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's prior year financial statements, from which this selected financial data was derived. In addition, certain minor reclassifications of the prior year data have been made to enhance their comparability to the current year.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Note 2 - Cash and Investments

The following is a detail of cash and cash equivalents as of June 30, 2023:

Cash on hand	\$ 6,360
Deposits	1,216,671
Local Agency Investment Fund (LAIF)	4,901,219
California Asset Management Program	9,758,230
Total cash and cash equivalents	<u>\$ 15,882,480</u>

As of June 30, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	
LAIF	less than 12 months	\$ 4,901,219
California Asset Management Program	less than 12 months	9,758,230
Total cash equivalents		<u>\$ 14,659,449</u>
U.S. Treasury bills	5 months weighted average	<u>\$ 13,295,831</u>
Total Investments		<u>\$ 13,295,831</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).

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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).

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 (LAIF) 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, 2023, the District's bank balances were \$931,747, of which \$250,000 were insured and the remaining \$681,747 were collateralized with securities held by the pledging institution's trust department.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
Fixed Income Securities:				
Treasury Bills	\$ -	\$ 13,295,831	\$ -	\$ 13,295,831
Total Levelled Investments	<u>\$ -</u>	<u>\$ 13,295,831</u>	<u>\$ -</u>	13,295,831
LAIF*				4,901,219
California Asset Management Program*				<u>9,758,230</u>
 Total Investment Portfolio				 <u>\$ 27,955,280</u>

*Not subject to fair value measurement.

Note 3 - Accounts Receivable, Net

As of June 30, 2023, the net balance was comprised of accounts receivable balances of \$9,234,514 less the allowances for doubtful accounts of \$317,632.

On the Statement of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2023, the balance of water sales, net of uncollectible accounts expense, was comprised of water sales revenue of \$52,886,240 less uncollectible amounts of \$28,083.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Note 4 - Capital Assets

Capital assets consist of the following at June 30, 2023:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land, franchises, and water rights	\$ 5,453,295	\$ -	\$ -	\$ 5,453,295
Construction in progress	7,125,220	9,902,071	(5,351,951)	11,675,340
Total capital assets not being depreciated	<u>12,578,515</u>	<u>9,902,071</u>	<u>(5,351,951)</u>	<u>17,128,635</u>
Capital assets being depreciated/amortized:				
Buildings, canals, pipelines, reservoirs and dams	185,642,931	5,594,465	(89,914)	191,147,482
Equipment	7,058,217	437,322	-	7,495,539
Henshaw pumping project	3,111,870	-	-	3,111,870
IT subscription asset	-	100,150	-	100,150
Total capital assets being depreciated/amortized	<u>195,813,018</u>	<u>6,131,937</u>	<u>(89,914)</u>	<u>201,855,041</u>
Less accumulated depreciation/amortization for:				
Buildings, canals, pipelines, reservoirs and dams	(89,984,619)	(3,167,705)	85,119	(93,067,205)
Equipment	(4,473,383)	(443,089)	-	(4,916,472)
Henshaw pumping project	(2,901,082)	(42,097)	-	(2,943,179)
IT subscription asset	-	(50,075)	-	(50,075)
Total accumulated depreciation/amortization	<u>(97,359,084)</u>	<u>(3,702,966)</u>	<u>85,119</u>	<u>(100,976,931)</u>
Total capital assets being depreciated/amortized, net	<u>98,453,934</u>	<u>2,428,971</u>	<u>(4,795)</u>	<u>100,878,110</u>
Total capital assets, net	<u>\$ 111,032,449</u>	<u>\$ 12,331,042</u>	<u>\$ (5,356,746)</u>	<u>\$ 118,006,745</u>

Note 5 – Accrued Expenses and Other Liabilities

Beginning in March 2021 through August 2022, the District received \$3,183,171 from the San Diego County Water Authority (Water Authority), as their pro-rata share of a rebate from a case litigation between the Water Authority and the Metropolitan Water District of Southern California, and was recorded to income as non-operating. The District determined the funds do not belong to the District but rather to the rate payers. The rebate is being returned to the rate payers, as a reduction to rates, over five years beginning in April 2022. A non-operating expense and a liability to the rate payers was recognized. Amortization of the case rebate liability in the amount of \$583,762 was recorded for the current fiscal year. The net liability balance of \$2,459,476 for the case rebate is recorded in Accrued Expenses and Other Liabilities under current and noncurrent portions.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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 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
FOR THE YEAR ENDED JUNE 30, 2023**

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 measurement date June 30, 2022 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	19.65%	8.65%	7.59%
Payment of unfunded liability	\$1,477,427	\$4,712	\$8,498

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
FOR THE YEAR ENDED JUNE 30, 2023**

Note 6 - Defined Benefit Pension Plan (Continued)

B. Net Pension Liability

The District's net pension liability was measured as of June 30, 2022 using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement periods ended June 30, 2022, the total pension liability was determined by actuarial valuations as of June 30, 2021, with update procedures used to roll forward the total pension liability. The total pension liability for the Plan was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
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 probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

(3) The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% thereafter.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach.

The expected real rates of return by asset class at measurement date June 30, 2022 are as follows:

<u>Asset Class (a)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return (a)(b)</u>
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)
Total	<u>100.00%</u>	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021 Asset Liability Management study.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Note 6 - Defined Benefit Pension Plan (Continued)

B. Net Pension Liability (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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.

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: 6/30/2021 (VD)	\$ 106,932,363	\$ 99,995,962	\$ 6,936,401
Balance at: 6/30/2022 (MD)	\$ 112,639,852	\$ 88,896,297	\$ 23,743,555
Net Changes during 2021-22	\$ 5,707,489	\$ (11,099,665)	\$ 16,807,154

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

The District's proportionate share of the net pension liability was 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 change in the District's proportionate share of the collective net pension liability was as follows:

	Miscellaneous
Proportionate Share - June 30, 2021	0.36530%
Proportionate Share - June 30, 2022	0.50742%
Change - Increase (Decrease)	0.14212%

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Note 6 - Defined Benefit Pension Plan (Continued)

C. Proportionate Share of Net Pension Liability (Continued)

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

The following presents the District's proportionate share of the net pension liability of the Plan as of the June 30, 2022 measurement date, calculated using the discount rate of 6.90%, 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% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Miscellaneous Plan's Net Pension Liability - 2022	\$ 39,098,396	\$ 23,743,555	\$ 11,110,329

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
FOR THE YEAR ENDED JUNE 30, 2023**

Note 6 - Defined Benefit Pension Plan (Continued)

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

For the fiscal year ending June 30, 2023, the District incurred pension expense of \$5,321,333 for the Plan.

As of June 30, 2023, 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	\$ 2,952,541	\$ -
Differences between expected and actual experience	476,817	319,351
Changes in assumptions	2,433,023	-
Net difference between projected and actual earnings on pension plan investments	4,349,188	-
Differences between the employer's contributions and the employer's proportionate share of contributions	-	2,407,279
Changes in employer's proportion	3,930,317	-
Total	<u>\$ 14,141,886</u>	<u>\$ 2,726,630</u>

\$2,952,541 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 fiscal year ending June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense (income) as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources, Net
2024	\$ 2,284,703
2025	2,196,702
2026	1,321,199
2027	2,660,112
2028	-
Thereafter	-
	<u>\$ 8,462,716</u>

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Note 6 - Defined Benefit Pension Plan (Continued)

E. Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for the fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

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.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Note 7 – OPEB Plan (Continued)

Employees Covered

As of the June 30, 2022 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>45</u>
Total	<u><u>73</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 measurement date ended June 30, 2022, the District's contribution was \$94,500.

Net OPEB Liability (Asset)

The District's net OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability (asset) used to calculate the net OPEB liability (asset) was determined by an actuarial valuation dated June 30, 2021 and rolled forward to June 30, 2022. A summary of the principal assumptions and methods used to determine the total OPEB liability (asset) is shown below.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Note 7 – OPEB Plan (Continued)

Actuarial Assumptions

The total OPEB liability (asset) in the June 30, 2021 actuarial valuations was determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.75%
Inflation	2.50%
Projected Salary Increase	2.75% per annum, in aggregate
Expected long term investment rate of return	6.75%
Healthcare Cost Trend Rates	4.0% HMO/4.0% PPO
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 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 at measurement date June 30, 2022 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		
All Equities	59.00%	7.55%
All Fixed Income	25.00%	4.25%
REITs	8.00%	7.25%
All Commodities	3.00%	7.55%
Treasury Inflation Protected Securities (TIPS)	5.00%	3.00%
Total	<u>100.00%</u>	

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Note 7 – OPEB Plan (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability (asset) was 6.75%. 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 (asset).

Changes in the Net OPEB Liability (Asset)

The changes in the net OPEB liability (asset) during measurement period June 30, 2022 are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2021	\$ 4,818,965	\$ 5,997,069	\$ (1,178,104)
Changes in the Year:			
Service cost	110,070	-	110,070
Interest on the total OPEB liability	312,159	-	312,159
Differences between actual and expected experience	-	-	-
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contribution - employer	-	94,500	(94,500)
Net investment income (loss)	-	(753,633)	753,633
Administrative expenses	-	(1,484)	1,484
Experience (gains)/losses	45,592	-	45,592
Benefit payments	(544,444)	(544,444)	-
Net Changes	(76,623)	(1,205,061)	1,128,438
Balance at June 30, 2022	<u>\$ 4,742,342</u>	<u>\$ 4,792,008</u>	<u>\$ (49,666)</u>

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Note 7 – OPEB Plan (Continued)

Change of Assumptions

The inflation assumption was 2.5% for the valuation completed June 30, 2021, and rolled forward to June 30, 2022.

Change of Benefit Terms

There were no changes in benefit terms.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the District as of the June 30, 2022 measurement date, as well as what the District's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB Liability (Asset)	\$ 222,428	\$ (49,666)	\$ (300,657)

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

The following presents the net OPEB liability (asset) of the District as of the June 30, 2022 measurement date, as well as what the District's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease (3.00% HMO/ 3.00% PPO)	Current Healthcare Cost Trend Rates (4.00% HMO/ 4.00% PPO)	1% Increase (5.00% HMO/ 5.00% PPO)
Net OPEB Liability (Asset)	\$ (421,708)	\$ (49,666)	\$ 371,625

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Note 7 – OPEB Plan (Continued)

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

For the year ended June 30, 2023, the District recognized OPEB income of \$(45,962).

At June 30, 2023, 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	\$ 94,573	\$ -
Differences between actual and expected experience	37,302	523,761
Change in assumptions	-	215,527
Differences between projected and actual earnings	383,014	-
Total	<u>\$ 514,889</u>	<u>\$ 739,288</u>

\$94,573 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 fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense (income) as follows:

<u>Fiscal Year Ending June 30:</u>	<u>Amount</u>
2024	\$ (135,709)
2025	(144,582)
2026	(183,666)
2027	140,843
2028	4,142
Thereafter	-

Payable to the OPEB Plan

At June 30, 2023, the District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2023.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Note 8 – Leases

Lease Receivable

The District leases land to various third parties on a noncancellable basis. These leases range in terms from up to twenty-three years as of the beginning of the current fiscal year. Leases which have monthly payments, range from \$1,241 to \$4,836 per month, and certain other lease payments are received twice a year or on an annual basis, ranging from \$14,400 to \$80,000 per year. The District recognized \$427,714 in lease revenue and \$73,927 in interest revenue during the current fiscal year related to these leases. As of June 30, 2023, the District's short-term lease receivable of \$402,864 was comprised of \$303,702 in noncancellable leases and \$99,162 in cancellable leases. Long-term lease receivable was \$2,603,669. Also, the District has a deferred inflow of resources associated with these leases of \$2,766,576 at June 30, 2023, that will be recognized as lease revenue over the lease terms.

Note 9 – Subscription-Based Information Technology Arrangements

Microsoft Enterprise Agreement (EA)

On June 1, 2022, the District entered into a 36-month subscription for the use of Microsoft EA. An initial subscription liability was recorded in the amount of \$100,150. As of June 30, 2023, the value of the subscription liability is \$50,668. The District is required to make annual fixed payments of \$51,885. The subscription has an imputed interest rate of 2.4%. The value of the right-to-use asset as of June 30, 2023 of \$100,150 with accumulated amortization of \$50,075 is included in Note 4 with right-to-use IT assets. The final payment of \$51,885 is due in June 2024, and will be comprised of \$1,216 in interest and \$50,669 in principal.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Note 10 - 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, as well as the cost of undergrounding a portion of a the Escondido Canal on the San Pasqual Indian Reservation which was required to be completed in May 17, 2023. The cost of the San Pasqual Undergrounding Project (SPUP) will be divided equally between the District and the City of Escondido. During fiscal year 2023, the SPUP was completed, and the District incurred \$19.5 million in expenses related to the SPUP, which included a \$2.1 million accrual for estimated remaining costs incurred but not yet invoiced to the District.

At June 30, 2023, the District has the following outstanding contract balances on two large projects:

- (1) \$2.7 million in construction contractor expenses for a reservoir replacement and pump station project.
- (2) \$1.0 million in engineering consulting costs for a flume replacement alignment study.

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

Note 11 – Implementation of New Accounting Standard

As described in Note 9, the District changed accounting policies related to IT subscription payments by adopting GASB 96, *Subscription-Based Information Technology Arrangements*, in fiscal year 2023. The District did not restate prior year balances, as it was not practicable to do so.

VISTA IRRIGATION DISTRICT REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2023

Schedule of the Proportionate Share of the Plan's Net Pension Liability and Related Ratios

Last 10 Fiscal Years*

	Measurement Date								
	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014*
Plan's Proportion of the Net Pension Liability ¹	0.20556%	0.12825%	0.17279%	0.16305%	0.15349%	0.15753%	0.14938%	0.22908%	0.21738%
Plan's Proportionate Share of the Net Pension Liability	\$ 23,743,555	\$ 6,936,401	\$ 18,800,668	\$ 16,707,460	\$ 14,791,100	\$ 15,622,668	\$ 12,926,266	\$ 15,723,785	\$ 13,526,753
Plan's Covered Payroll ²	\$ 8,325,495	\$ 8,208,274	\$ 8,272,132	\$ 8,034,376	\$ 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	285.19%	84.50%	227.28%	207.95%	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	76.68%	88.29%	75.10%	75.26%	75.26%	73.31%	74.06%	80.66%	83.03%
Plan's Proportionate Share of Aggregate Employer Contributions ³	\$ 4,611,121	\$ 3,932,998	\$ 3,818,933	\$ 3,448,002	\$ 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.

Notes to Schedule:

Benefit Changes:

There were no changes in the benefit terms.

Changes in Assumptions:

Discount rate changed from 7.15% to 6.90%.

Inflation rate changed from 2.50% to 2.30%.

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

**VISTA IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

Schedule of Contributions - Pension Plan

Last 10 Fiscal Years*

	Fiscal Year-End									
	2023	2022	2021	2020	2019	2018	2017	2016	2015*	
Actuarially Determined Contribution	\$ 2,952,541	\$ 2,727,753	\$ 2,447,195	\$ 2,155,181	\$ 2,007,718	\$ 1,862,822	\$ 1,816,735	\$ 1,924,128	\$ 1,488,966	
Contributions in Relation to the										
Actuarially Determined Contribution	(2,952,541)	(2,727,753)	(2,447,195)	(2,155,181)	(2,007,718)	(1,862,822)	(1,816,735)	(9,682,740)	(1,488,966)	
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,758,612)	\$ -	
Covered Payroll ¹	\$ 8,285,143	\$ 8,325,495	\$ 8,208,274	\$ 8,272,132	\$ 8,034,376	\$ 7,982,625	\$ 7,576,845	\$ 7,601,853	\$ 7,473,687	
Contributions as a % of Covered										
Payroll	35.64%	32.76%	29.81%	26.05%	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.

Notes to Schedule:

Fiscal Year End: 6/30/23
Valuation Date: 6/30/20

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of payroll
Asset Valuation Method	Fair Value of Assets
Discount Rate	7.00%
Inflation	2.50%
Payroll Growth	Annual increases vary by category, entry age, and duration of service.

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

**VISTA IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

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

	Measurement Date					
Measurement date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability:						
Service cost	\$ 110,070	138,859	\$ 134,815	\$ 147,996	\$ 143,685	\$ 134,285
Interest on total OPEB liability	312,159	423,875	438,783	421,739	420,585	416,970
Differences between actual and expected experience	45,592	(718,289)	(133,334)	211,413	-	-
Changes in assumptions	-	(338,687)	-	62,548	-	-
Changes in benefit terms	-	(323,788)				
Benefit payments, including refunds of member contributions	(544,444)	(632,759)	(597,943)	(586,233)	(517,935)	(500,111)
Net Change in Total OPEB Liability	(76,623)	(1,450,789)	(157,679)	257,463	46,335	51,144
Total OPEB Liability - Beginning of Year	4,818,965	6,269,754	6,427,433	6,169,970	6,123,635	6,072,491
Total OPEB Liability - End of Year (a)	4,742,342	4,818,965	6,269,754	6,427,433	6,169,970	6,123,635
Plan Fiduciary Net Position:						
Contributions - employer	94,500	145,464	122,021	101,590	94,656	500,111
Net investment income	(753,633)	1,371,860	167,864	329,378	439,596	533,100
Administrative expenses	(1,484)	(1,882)	(2,563)	(1,950)	(10,309)	(2,706)
Benefit payments, including refunds of member contributions	(544,444)	(632,759)	(597,943)	(586,233)	(517,935)	(500,111)
Net Change in Plan Fiduciary Net Position	(1,205,061)	882,683	(310,621)	(157,215)	6,008	530,394
Plan Fiduciary Net Position - Beginning of Year	5,997,069	5,114,386	5,425,007	5,582,222	5,576,214	5,045,820
Plan Fiduciary Net Position - End of Year (b)	4,792,008	5,997,069	5,114,386	5,425,007	5,582,222	5,576,214
Net OPEB Liability (Asset) - Ending (a)-(b)	\$ (49,666)	(1,178,104)	\$ 1,155,368	\$ 1,002,426	\$ 587,748	\$ 547,421
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	101.05%	124.45%	81.57%	84.40%	90.47%	91.06%
Covered - employee payroll	\$ 4,738,000	4,811,000	\$ 5,178,000	\$ 5,559,000	\$ 6,109,000	\$ 6,182,000
Net OPEB liability (asset) as percentage of covered - employee payroll	-1.05%	-24.49%	22.31%	18.03%	9.62%	8.86%

Notes to Schedule:

Benefit Changes:

There were no changes in the benefit terms.

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, 2023**

Schedule of Contributions - OPEB
Last 10 Fiscal Years*

	Fiscal Year-End					
	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Actuarially determined contribution	\$ 14,362	13,977	\$ 231,973	\$ 225,216	\$ 200,852	\$ 195,002
Contributions in relation to the actuarially determined contributions	<u>(94,573)</u>	<u>(94,500)</u>	<u>(145,464)</u>	<u>(122,021)</u>	<u>(101,590)</u>	<u>(94,656)</u>
Contribution deficiency (excess)	<u>\$ (80,211)</u>	<u>(80,523)</u>	<u>\$ 86,509</u>	<u>\$ 103,195</u>	<u>\$ 99,262</u>	<u>\$ 100,346</u>
Covered - employee payroll	\$ 4,419,000	4,738,000	\$ 4,811,000	\$ 5,178,000	\$ 5,559,000	\$ 6,109,000
Contributions as a percentage of covered - employee payroll	2.14%	1.99%	3.02%	2.36%	1.83%	1.55%

Notes to Schedule:

Valuation Date	6/30/2021	6/30/2021	6/30/2019	6/30/2019	6/30/2017	6/30/2017
----------------	-----------	-----------	-----------	-----------	-----------	-----------

Methods and Assumptions Used to Determine Contribution Rates:

Single and agent employers	Entry age					
Amortization method	Level % of payroll, closed					
Asset valuation method	Fair Value					
Inflation		2.50%	2.50%	2.75%	2.50%	2.75%
Salary increases		2.75%	2.75%	3.00%	3.00%	3.00%
Investment rate of return		6.75%	6.75%	7.00%	7.00%	7.00%
Mortality	CalPers pension plan					

* Fiscal year 2018 was the first year of implementation.



Statistical Section

This Page Intentionally Blank

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	47
<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	49
<i>These schedules contain information to help the reader access the District's most significant local revenue source.</i>	
Demographic and Economic Information	53
<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	56
<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 annual comprehensive financial reports for the relevant year.

Table I
NET POSITION BY COMPONENT
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net Position					
Investment in capital assets	\$ 117,956,077	\$ 111,032,449	\$ 109,214,910	\$ 102,334,860	\$ 97,849,943
Unrestricted	7,214,740	28,636,803	24,544,480	27,992,421	26,552,862
Total Net Position	<u>\$ 125,170,817</u>	<u>\$ 139,669,252</u>	<u>\$ 133,759,390</u>	<u>\$ 130,327,281</u>	<u>\$ 124,402,805</u>

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net Position					
Investment in capital assets	\$ 94,645,829	\$ 89,924,833	\$ 84,550,252	\$ 82,551,852	\$ 81,758,263
Unrestricted	18,084,612	15,418,929	21,630,198	19,724,448	31,251,239
Total Net Position	<u>\$ 112,730,441</u>	<u>\$ 105,343,762</u>	<u>\$ 106,180,450</u>	<u>\$ 102,276,300</u>	<u>\$ 113,009,502</u>

Source: Vista Irrigation District

Table II
CHANGES IN NET POSITION
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Operating Revenues:										
Water sales	\$ 52,858,157	\$ 53,384,918	\$ 52,527,704	\$ 48,703,324	\$ 47,799,794	\$ 49,802,101	\$ 45,948,385	\$ 41,193,157	\$ 44,594,810	\$ 46,858,642
Property rentals	913,042	903,963	836,723	771,289	807,180	823,871	770,023	718,075	738,767	705,845
Other services	370,786	352,059	454,878	408,369	569,180	451,600	645,880	657,891	428,667	454,842
System fees	921,233	353,720	754,464	924,945	1,225,043	731,240	1,029,580	622,039	853,041	667,311
Total operating revenues	55,063,218	54,994,660	54,573,769	50,807,927	50,401,197	51,808,812	48,393,868	43,191,162	46,615,285	48,686,640
Operating Expenses:										
Purchased water	25,009,400	27,362,036	27,010,218	20,917,710	21,287,616	22,569,140	23,826,729	18,721,053	19,235,486	21,351,934
Wages and benefits	16,723,300	8,510,447	16,257,820	16,207,874	13,591,552	14,461,797	13,492,353	11,870,598	12,298,601	12,026,730
Depreciation and amortization	3,702,966	3,582,582	3,400,480	3,247,471	3,157,173	2,968,997	2,719,379	2,581,311	3,363,263	3,222,382
Contractual services	24,152,930	7,034,273	5,492,856	4,945,888	5,240,188	4,292,413	3,495,060	4,125,191	3,827,299	3,932,249
Supplies	2,146,360	1,717,651	1,330,707	1,288,380	1,359,577	1,531,232	1,450,699	1,396,166	1,309,636	1,369,388
Professional fees	359,041	420,146	281,135	719,175	596,320	603,257	949,374	700,489	658,616	634,801
Power	623,560	707,904	466,942	411,118	466,694	405,854	525,897	656,238	662,164	603,100
Office and general	533,828	440,896	361,044	408,249	536,420	557,713	481,697	489,547	488,237	445,363
Insurance	360,513	255,617	14,072	110,882	385,026	543,145	535,788	531,811	489,023	476,242
Uncollectible accounts	-	-	-	-	-	-	-	-	-	60,389
Communications	58,823	50,340	49,299	49,025	51,755	53,326	56,779	49,845	55,126	57,814
Burden allocation	(1,863,755)	(1,339,074)	(1,507,279)	(1,257,841)	(1,363,958)	(1,433,392)	(1,422,130)	(1,255,779)	(945,126)	(947,821)
Total operating expenses	71,806,966	48,742,818	53,157,294	47,047,931	45,308,363	46,553,482	46,111,625	39,866,470	41,442,325	43,232,571
Operating Income	(16,743,748)	6,251,842	1,416,475	3,759,996	5,092,834	5,255,330	2,282,243	3,324,692	5,172,960	5,454,069
Nonoperating Revenues (Expenses):										
Property taxes	662,402	573,205	539,949	507,604	487,062	450,512	423,469	384,960	381,843	443,255
Investment income (loss)	1,321,865	(85,371)	61,093	903,373	859,164	346,063	168,777	129,591	63,423	45,451
Gain (Loss) on disposal of capital assets	(621)	(1,739,448)	50,523	35,014	3,722,423	19,210	(139,088)	(16,209)	30,557	(3,819)
Other nonoperating revenues (expenses)	-	4,494	-	(32,341)	49,198	-	-	-	42,810	-
Interest Expense	(2,403)	-	-	-	-	-	-	-	-	-
Legal settlement	-	-	-	-	-	-	(66,961)	(83,905)	(55,173)	(94,732)
Total Nonoperating Revenues (Expenses)	1,981,243	(1,247,120)	651,565	1,413,650	5,117,847	815,785	386,197	414,437	463,460	390,155
Income Before Contributed Capital	(14,762,505)	5,004,722	2,068,040	5,173,646	10,210,681	6,071,115	2,668,440	3,739,129	5,636,420	5,844,224
Contributed Capital	264,070	905,140	1,364,069	750,830	1,461,683	1,315,564	1,257,820	165,021	499,911	67,345
Change in net position	(14,498,435)	5,909,862	3,432,109	5,924,476	11,672,364	7,386,679	3,926,260	3,904,150	6,136,331	5,911,569
Net Position, beginning of year	139,669,252	133,759,390	130,327,281	124,402,805	112,730,441	110,106,710	106,180,450	102,276,300	113,009,502	107,097,933
Prior Period Adjustment	-	-	-	-	-	(4,762,948)	-	-	(16,869,533)	-
Net Position, end of year	\$ 125,170,817	\$ 139,669,252	\$ 133,759,390	\$ 130,327,281	\$ 124,402,805	\$ 112,730,441	\$ 110,106,710	\$ 106,180,450	\$ 102,276,300	\$ 113,009,502

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>	
2023	\$23,471,778	10,339.9	\$3,847,606	1,698.7	\$3,464,128	1,532.8	\$1,214,611	548.5	\$518,224	226.5	\$2,267
2022	\$24,078,879	11,696.1	\$3,704,894	1,769.2	\$4,190,315	2,006.7	\$1,453,817	694.2	\$586,706	278.2	\$2,068
2021	\$24,139,088	12,288.3	\$3,385,503	1,670.9	\$4,486,971	2,241.2	\$1,700,825	848.6	\$553,930	272.9	\$1,978
2020	\$21,166,639	10,747.0	\$3,239,744	1,621.9	\$3,624,924	1,836.0	\$1,463,693	742.8	\$570,427	276.2	\$1,975
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

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>
2023	24,896	1,572	945	264	1,313	93	29,083
2022	24,864	1,578	945	279	1,299	91	29,056
2021	24,770	1,576	957	333	1,281	90	29,007
2020	24,470	1,571	954	524	1,269	91	28,879
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

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	
2023	\$4.99	\$5.46	\$5.46	\$5.30	\$43.30
2022	\$4.72	\$5.19	\$5.19	\$5.03	\$43.30
2021	\$4.44	\$4.98	\$4.98	\$4.76	\$40.97
2020	\$4.35	\$4.89	\$4.89	\$4.67	\$40.97
2019	\$4.27	\$4.81	\$4.81	\$4.59	\$38.85
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

* 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

Fiscal Year ended June 30, 2023			Fiscal Year ended June 30, 2014		
<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>
Industrial	70.9	0.49%	Golf Course	275.5	1.45%
Courthouse	60.6	0.42%	Courthouse	131.8	0.69%
Industrial	60.0	0.42%	Industrial	62.7	0.33%
Industrial	43.7	0.30%	Agricultural	57.9	0.30%
Industrial	39.7	0.28%	Industrial	51.3	0.27%
Mobile Home Park	32.4	0.23%	High School	43.6	0.23%
Mobile Home Park	31.4	0.22%	Mobile Home Park	39.1	0.21%
Multi-Family	33.0	0.23%	Mobile Home Park	38.6	0.20%
High School	29.1	0.20%	Mobile Home Park	38.4	0.20%
Multi-Family	31.1	0.22%	Industrial	37.5	0.20%
Total Top Ten Customers	431.8	3.01%	Total Top Ten Customers	776.4	4.08%
Other Customers	13,914.6	96.99%	Other Customers	18,232.9	95.92%
Total Water Sales	14,346.4	100.00%	Total Water Sales	19,009.3	100.00%

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 (000s)*
2022**	130,583	3.03	3.8%	\$66,068	\$8,392,439
2021	130,008	3.09	6.8%	\$62,720	\$8,154,039
2020	133,058	3.20	10.2%	\$59,541	\$7,922,411
2019	133,625	3.15	3.6%	\$51,123	\$6,831,277
2018	133,851	3.16	3.6%	\$50,670	\$6,782,275
2017	133,797	3.17	4.3%	\$47,207	\$6,316,133
2016	131,006	3.17	5.0%	\$48,129	\$6,305,173
2015	129,801	3.17	4.7%	\$46,701	\$6,061,837
2014	129,144	3.17	5.8%	\$40,220	\$5,194,168
2013	128,358	3.16	7.1%	\$44,534	\$5,716,309

NOTES:

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

** Income columns come from the Bureau of Economic Analysis website for San Diego County.

Data for 2022 is not available; therefore, 2020 and 2021 growths data was used to project 2022.

Population figure for 2021 is based on 2020 census data.

Data for all categories is not available for 2023.

Amounts presented may vary from the prior year's report due to inflationary adjustments or re-calculations.

Source: SANDAG

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

Fiscal Year Ended June 30, 2023 ⁽¹⁾			Fiscal Year Ended June 30, 2014 ⁽²⁾		
Employer Name	Industry	No. of Employees	Employer Name	Industry	No. of Employees
United States Navy, San Diego	Government - Military	10,000+	U.S. Dept. of Defense	Military	10,000+
University of California, San Diego	Education	10,000+	Federal Government	Government	10,000+
Sharp Healthcare	Healthcare	10,000+	State of California	Government	10,000+
County of San Diego	Government	10,000+	University of California, San Diego	Education	10,000+
San Diego Unified School District	Education	10,000+	County of San Diego	Government	10,000+
Scripps Healthcare	Healthcare	10,000+	Sharp Healthcare	Healthcare	10,000+
City of San Diego	Government	10,000+	Scripps Health	Healthcare	10,000+
Qualcomm, Inc.	Technology	10,000+	San Diego Unified School District	Education	10,000+
San Diego Community College	Education	5,000-9,999	City of San Diego	Government	10,000+
Kaiser Medical Center	Healthcare	5,000-9,999	Kaiser San Diego Medical Center	Healthcare	5,000-9,999

Source: ¹ Employment Development Department - Major Employers in San Diego (<https://labormarketinfo.edd.ca.gov/>)

² Vista Irrigation District 2014 CAFR/San Diego Source Book

Table IX
NUMBER OF EMPLOYEES
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Employees	82	83	85	87	87	90	89	87	88	84
Average Years of Service	10.7	11.5	10.8	10.2	10.8	11.6	12.8	12.0	11.6	11.9

Source: Vista Irrigation District

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

Table X
OPERATING AND CAPITAL INDICATORS
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Service Area (acres)	21,152	21,152	21,152	21,152	21,152	21,152	21,160	21,160	21,160	21,200
Miles of water main (4" and larger) *	429	429	429	429	429	429	473	473	473	473
Number of enclosed reservoirs	12	12	12	12	12	12	12	12	12	12
Capacity of enclosed reservoirs (acre feet)	142	142	142	142	142	142	141	141	142	142
Number of open reservoirs	1	1	1	1	1	1	1	1	1	1
Capacity of open reservoirs (acre feet) **	51,832	51,832	51,832	51,832	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	7
Number of pumps	18	18	18	18	18	18	18	18	18	18
Total capacity of pumps (horsepower)	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045
Number of service connections	29,083	29,056	29,007	28,879	28,780	28,688	28,622	28,443	28,625	28,580
Production peak (million gallons per day)	21	21	22	21	22	21	22	20	24	32
Average production (million gallons per day)	14	15	16	15	14	16	15	14	16	18
Total rainfall (inches) - Lake Henshaw	45	16	15	29	35	12	34	21	16	13
Total rainfall (inches) - Vista	28	10	4	21	16	4	20	11	8	5
Average daily temperature (F) - Lake Henshaw	57	60	59	58	58	60	60	59	60	60
Average daily temperature (F) - Vista	61	62	63	63	62	64	63	64	64	63
Electricity purchased (1,000 kWh) - Service Area	942	1,016	1,007	1,017	1,075	1,060	712	1,081	1,094	1,078
Electricity purchased (1,000 kWh) - Lake Henshaw	1,855	3,316	1,368	302	1,783	1,077	1,964	3,176	3,352	3,310
Natural gas purchased (therms)	9,052	6,578	7,256	8,829	7,833	6,926	5,768	5,970	5,573	5,777
Mainline repairs	32	24	17	19	31	20	40	29	33	32

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

** Capacity of open reservoir was updated according to a 2018 study.

Source: Vista Irrigation District

Board of Directors
Vista Irrigation District
Vista, California

We have audited the financial statements of the Vista Irrigation District (the District) as of and for the year ended June 30, 2023, and have issued our report thereon dated November 16, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 11, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence under the American Institute of Certified Public Accountants ("AICPA") independence standards, contained in the Code of Professional Conduct.

We identified self-review threats to independence as a result of non-attest services provided. Those non-attest services included the preparation of the statement of cash flows. To mitigate the risk, management has compared the draft statement of cash flows to the underlying accounting records to verify accuracy.

Additionally, we utilize a quality control reviewer to perform a second review the statement of cash flows. We believe these safeguards are sufficient to reduce the independence threats to an acceptable level.

Significant Risks Identified

We have identified the following significant risks:

We have identified implementation of Governmental Accounting Standards Board No. 96 – Subscription Based IT Arrangements (SBITAs) as a significant risk. We compared the terms of the agreements to the information included in the calculation of the SBITA payable for 100% of the outstanding balance.

Qualitative Aspects of the Entity’s Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. As described in Note 9 to the financial statements, the District changed accounting policies related to leases by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 96, Subscription Based Information Technology Arrangements, in the fiscal year 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on 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 markedly from management’s current judgments.

The most sensitive accounting estimates affecting the financial statements are:

- Management’s estimate of which capital projects represent ordinary maintenance activities necessary to keep an asset operational for its originally intended useful life versus significant improvement, replacement, and life extending projects that should be capitalized as additions to capital assets is based on management’s knowledge of the assets and their useful lives.
- Management’s estimate of transactions related to net pension and OPEB liabilities based on actuarial information.
- Management’s estimate of the GASB 87 lease transactions based on a single leasing model for accounting and reporting purposes.

We evaluated the key factors and assumptions used to develop the estimates and determined that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of Capital Assets in note 4 to the financial statements.
- The disclosure of Accrued Expenses and Other Liabilities in note 5 to the financial statements.
- The disclosure of Pension in note 6 to the financial statements.
- The disclosure of OPEB in note 7 to the financial statements.

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

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. There were no significant unusual transactions identified as a result of our audit procedures.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no such misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were none.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated November 16, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Other Information Included in Annual Comprehensive Financial Report

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the District's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and 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.

DavisFarr LLP

Irvine, California
November 16, 2023

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
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 the Vista Irrigation District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 16, 2023.

Report on 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) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 entity'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 or significant deficiencies may exist that have not been identified.

Report on 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 financial statements. 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*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DavisFarrLLP

Irvine, California
November 16, 2023

Board of Directors
Vista Irrigation District
Vista, California

In planning and performing our audit of the financial statements, we considered Vista Irrigation District's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Vista Irrigation District's internal control. Accordingly, we do not express an opinion on the effectiveness of Vista Irrigation 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 entity'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 or significant deficiencies may exist that have not been identified.

As a matter of best practice, we offer the following recommendation as an opportunity to improve the District's internal controls.

(1) Safe Keeping of Cash

During our audit, we became aware the District had \$840 stolen from a safe located in the Engineering Vault. It was noted the safe was in a secure location, however there was not limited access.

Recommendation

We recommend the District implement procedures to secure the safe in which cash and checks are stored.

Management Comments

Management made the auditors aware of the incident during interim testing and provided information on the already executed actions taken and procedures implemented by the District to secure and safeguard cash and checks while on-site.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit as described above. The District's response was not subject to the other auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the response.

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.

DavisFarr LLP

Irvine, California
November 16, 2023



STAFF REPORT

Agenda Item: 8

Board Meeting Date: January 3, 2024
Prepared By: Shallako Goodrick
Approved By: Brett Hodgkiss

SUBJECT: FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2023

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, 2023. 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
- 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 \$2,944,731, which included an estimated value of \$2,207,463 in local water that was provided to the District; expenses were \$22,147,265, which included \$19,504,654 for the San Pasqual Undergrounding Project (SPUP). Lake Henshaw operations resulted in a \$19,202,534 operating loss for Fiscal Year (FY) 2023.

The first three special reports listed above compare the actual results for the year ended June 30, 2023 with the budgeted amounts approved by the Board.

Overall, the District experienced a \$16.7 million operating loss versus a projected \$7.9 million operating loss this fiscal year primarily due to higher than anticipated expenditures on the SPUP (expenses budgeted in FY 2022 and realized in FY 2023) and pension expense.

DETAILED REPORT: See attached Financial Report for the Year Ended June 30, 2023.



FINANCIAL REPORT

**For the Year Ended
June 30, 2023**

(UNAUDITED)

VISTA IRRIGATION DISTRICT

Table of Contents

Page

FINANCIAL STATEMENTS

Lake Henshaw Operations – Statements of Revenues and Expenses	1
---	---

SPECIAL REPORTS

Water Statistics Budget Comparison	2
Revenue and Expense Budget Comparison	3-4
Capital Outlay Comparison.....	5
Legal Expenses	6



FINANCIAL STATEMENTS

LAKE HENSHAW OPERATIONS

STATEMENTS OF REVENUES AND EXPENSES

Years Ended June 30, 2023 and 2022

(Unaudited)

	2023	2022
Revenues:		
Value of local water produced	\$ 2,207,463	\$ 612,950
Property rentals	716,245	713,323
Other services	21,023	(20,882)
Total Revenues	<u>2,944,731</u>	<u>1,305,391</u>
Expenses:		
Contractual services	20,227,161	2,993,914
Supplies	486,696	198,050
Depreciation	364,425	346,322
Burden allocation	359,806	432,815
Professional fees	260,353	300,905
Power	233,546	325,164
Wages	152,460	186,558
Insurance	42,965	38,675
Office and general	19,853	19,762
Total Expenses	<u>22,147,265</u>	<u>4,842,165</u>
Operating Loss	<u>(19,202,534)</u>	<u>(3,536,774)</u>
Nonoperating Revenues:		
Investment income	<u>50,264</u>	<u>44,815</u>
Total Nonoperating Revenues	<u>50,264</u>	<u>44,815</u>
NET LOSS	<u><u>\$ (19,152,270)</u></u>	<u><u>\$ (3,491,959)</u></u>



BUDGET REPORTS

VISTA IRRIGATION DISTRICT

WATER STATISTICS BUDGET COMPARISON Year Ended June 30, 2023 (In Acre Feet)

	Actual	Budget	Percentage of Budget
WATER SOURCES:			
Water Purchases	13,738	14,193	97%
Local Water	<u>1,755</u>	<u>2,507</u>	70%
Total Water Sources	<u><u>15,493</u></u>	<u><u>16,700</u></u>	93%
WATER SALES	<u><u>14,346</u></u>	<u><u>15,700</u></u>	91%

VISTA IRRIGATION DISTRICT

REVENUE AND EXPENSE BUDGET COMPARISON Year Ended June 30, 2023

	Actual	Budget	Percentage of Budget
OPERATING REVENUES			
Water sales:			
Single family	\$ 15,970,654	\$ 17,560,000	91%
Multiple family	6,664,554	6,260,000	106%
Irrigation	3,464,128	4,580,000	76%
Commercial	2,541,280	2,340,000	109%
Industrial	1,306,326	1,110,000	118%
Agricultural	1,214,611	1,740,000	70%
Mobile homes	831,952	850,000	98%
Government	518,224	570,000	91%
Unmetered	4,619	-	-
Service charges	20,369,892	20,792,000	98%
Subtotal water sales	<u>52,886,240</u>	<u>55,802,000</u>	
System fees:			
Capacity	781,111	741,000	105%
Annexation and detachments	140,122	-	-
Subtotal system fees	<u>921,233</u>	<u>741,000</u>	
Property rentals	913,042	892,310	102%
Other services:			
Non construction services	246,314	218,000	113%
New installations	124,472	241,000	52%
Subtotal other services	<u>370,786</u>	<u>459,000</u>	
Total Operating Revenues	<u>55,091,301</u>	<u>57,894,310</u>	95%
OPERATING EXPENSES			
Purchased water	25,009,400	25,295,600	99%
Contractual services	24,152,930	19,226,200	126%
Wages and benefits:			
Salaries	8,382,123	8,830,000	95%
PERS retirement	5,321,333	3,080,000	173%
Employee health insurance	2,102,294	2,356,000	89%
FICA & medicare	642,570	671,080	96%
Workers compensation	194,488	218,000	89%
Deferred compensation plan	112,571	116,000	97%
Life and disability insurance	73,893	76,000	97%
Uniforms	27,184	30,100	90%
Tuition reimbursement	4,059	6,000	68%
EAP counseling	2,841	3,000	95%
Unemployment insurance	479	1,500	32%
Retiree medical insurance	(140,535)	-	-
Subtotal wages and benefits	<u>16,723,300</u>	<u>15,387,680</u>	
Depreciation and amortization	3,702,966	4,072,000	91%

VISTA IRRIGATION DISTRICT

REVENUE AND EXPENSE BUDGET COMPARISON Year Ended June 30, 2023

	Actual	Budget	Percentage of Budget
Supplies	2,146,360	1,376,800	156%
Power	623,560	563,300	111%
Office and general:			
Fees and permits	233,865	192,150	122%
Postage	69,900	67,900	103%
Training	34,329	52,100	66%
Dues, subscriptions, and publications	50,342	48,400	104%
Travel	27,268	37,350	73%
Employment related expense	30,462	29,000	105%
Office supplies	18,709	15,000	125%
Printing	13,530	14,600	93%
Awards and contributions	13,763	13,500	102%
Computer hardware	20,743	13,000	160%
Recruitment	20,917	-	-
Subtotal office and general	<u>533,828</u>	<u>483,000</u>	
Insurance	360,513	339,000	106%
Professional fees:			
Legal	228,410	277,900	82%
Consulting	112,131	32,100	349%
Audit	18,500	24,500	76%
Subtotal professional fees	<u>359,041</u>	<u>334,500</u>	
Communications	58,823	63,670	92%
Uncollectible accounts	28,083	35,050	80%
Burden allocation	(1,863,755)	(1,377,000)	135%
Total Operating Expenses	<u>71,835,049</u>	<u>65,799,800</u>	109%
Operating Loss	(16,743,748)	(7,905,490)	212%
NONOPERATING REVENUES			
Investment income	1,321,865	73,000	1811%
Property taxes	662,402	536,000	124%
Loss on disposal of capital assets	(621)	-	-
Interest expense	(2,403)	-	-
Total Nonoperating Revenues	<u>1,981,243</u>	<u>609,000</u>	325%
Loss Before Contributed Capital	<u>\$ (14,762,505)</u>	<u>\$ (7,296,490)</u>	202%



SPECIAL REPORTS

VISTA IRRIGATION DISTRICT

CAPITAL OUTLAY COMPARISON

June 30, 2023

	Budget Item #	Board Approved (Inception To Date)	Outlay To Date	Capital Outlay Remaining
ENGINEERING:				
E Reservoir and Pump Station	16-04	\$ 10,000,000	\$ 9,265,109	\$ 734,891
Four (4) Reservoirs Rehabilitation	20-03	135,000	134,332	-
Vista Flume Replacement	21-01	2,200,000	1,105,676	1,094,324
Deodar Reservoir Rehabilitation	22-01	335,000	340,084	-
New Zone 637 Feed	23-01	102,000	74,935	27,065
Main Replacement Program	99-99	2,500,000	3,336,754	-
		15,272,000	14,256,890	1,856,280
FIELD SERVICES:				
Vehicles(2)	22-02	75,000	98,625	-
Valve Operator	22-03	74,000	77,724	-
Vehicles (2)	23-02	360,000	-	360,000
Hydraulic Excavator	23-03	135,000	115,099	-
Cold Planer Attachment	23-04	26,000	25,799	-
San Luis Rey Reservoir Overflow Modification	23-05	20,000	45,337	-
Tire Changer and Balancing Machine	23-06	16,000	-	-
Beehive Bench Roof Replacement	23-07	215,000	202,845	-
		921,000	565,429	360,000
INFORMATION TECHNOLOGY:				
Board Room Audio Visual System	22-06	80,000	-	80,000
		80,000	-	80,000
OPERATIONS:				
Motor (Expensed)	22-07	7,500	-	-
6-inch Meter and Control Valve	23-08	26,500	24,849	-
		34,000	24,849	-
WATER RESOURCES:				
Warner Wellfield Assessment and Enhancement	20-15	500,000	13,631	486,369
Well Rehabilitation (2)	22-08	200,000	-	200,000
Boat	22-09	24,000	30,670	-
Skip Loader	22-10	100,000	113,251	-
Portable Arc Welder (Expensed)	23-09	8,500	-	-
		832,500	157,552	686,369
		\$ 17,139,500	15,004,720	\$ 2,982,649

VISTA IRRIGATION DISTRICT

LEGAL EXPENSES

Year Ending June 2023

General Legal Fees

Liebert, Cassidy & Whitmore	General	\$ 4,480	
Burke, Williams & Sorensen, LLP	General	62,747	
Best Best & Krieger, LLP	General	<u>1,300</u>	
			\$ 68,527

Water Rights Legal Fees

Kronick Moskovitz Tiedemann & Girard	Indians	<u>159,883</u>	
			<u>159,883</u>

Total Legal Costs (12 months)			<u>\$ 228,410</u>
--------------------------------------	--	--	--------------------------

Total Budgeted Legal Costs (12 months)			<u>\$ 277,900</u>
---	--	--	--------------------------



STAFF REPORT

Agenda Item: 9

Board Meeting Date: January 3, 2024
Prepared By: Shallako Goodrick
Approved By: Brett Hodgkiss

SUBJECT: INVESTMENT POLICY UPDATE

RECOMMENDATION: Adopt Resolution No. 2024-XX amending Section 4.2, Investment Policy, of Vista Irrigation District's Rules and Regulations.

PRIOR BOARD ACTION: The Board approved amendments to the Investment Policy on January 6, 2021.

FISCAL IMPACT: There is no fiscal impact associated with this recommendation.

SUMMARY: The District's Investment Policy is governed by the California Government Code Section 53600 et seq. Staff annually reviews the Investment Policy for changes deemed necessary to comply with changes in law or that are prudent and proper considering the current investment environment and the District's investment portfolio. Staff strongly advises to continue to follow the primary objectives of the Investment Policy, which in priority order are: 1) Safety, 2) Liquidity, and 3) Return on Investment (Yield).

Staff recommends amending the Investment Policy to bring it in line with Senate Bill (SB) 1489, Local Government Omnibus Act, which proposed a number of changes to existing laws governing the powers and duties of local agencies.

DETAILED REPORT: On January 1, 2023, SB 1489 went into effect revising sections of the California Government Code (Code) regulating the investment of public funds. Previously, the Code had not defined whether a security's remaining maturity at purchase was to be calculated from trade or settlement date. As revised, the Code now specifies that a security's maximum maturity for compliance purposes is to be measure from its settlement date, and the forward settlement date of an investment cannot exceed 45 days from the time of the investment. Sections 4.2.9, 4.2.14 and 4.2.19 of the Investment Policy require changes to comply with the aforementioned provisions.

ATTACHMENTS:

- Draft resolution amending Rules and Regulations
- Strikeout version of amended section of the draft Rules and Regulations

RESOLUTION NO. 2024-XX

RESOLUTION OF THE BOARD OF DIRECTORS OF
VISTA IRRIGATION DISTRICT
AMENDING THE DISTRICT'S INVESTMENT POLICY

WHEREAS, on January 6, 2021 the Board of Directors of Vista Irrigation District adopted Resolution No. 21-02 amending Section 4.2, Investment Policy, of the Vista Irrigation District's Rules and Regulations; and

WHEREAS, the Board of Directors desires to update the Investment Policy.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Vista Irrigation District that the Board hereby approves the changes to Section 4.2, Investment Policy, of Vista Irrigation District's Rules and Regulations, as indicated in the attached.

PASSED AND ADOPTED by the following roll call vote of the Board of Directors for the Vista Irrigation District on this 3rd day of January, 2024.

AYES:

NOES:

ABSTAIN:

ABSENT:

Richard Vásquez, President

ATTEST:

Ramae Ogilvie, Secretary

Board of Directors

VISTA IRRIGATION DISTRICT

4.2 INVESTMENT POLICY

<i>Original Adoption Date:</i>	July 3, 2007
<i>Action:</i>	Amended by VID Board of Directors by Res. 20241-XX02 dated 1/6/2024 1
<i>Applicable Law/Code/Agency:</i>	California Government Code, Section 53646

4.2.1 Policy

It is the policy of the Vista Irrigation District (District) to invest public funds in a manner that enhances its economic status while protecting its funds, providing for daily cash flow demands, and conforming to all state and local statutes governing the investment of the public funds.

Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust.

4.2.2 Purpose

The purpose of this policy is to establish acceptable parameters to protect, preserve, and maintain the cash and investments of the District's financial portfolio.

4.2.3 Scope

It is intended that this policy is to include all monetary instruments (including cash and cash equivalents) under the direct authority of the Board of Directors (Board), except for funds held by fiscal agents, for which separate investment objectives are specified and are accounted for in the District's audited financial statements.

4.2.4 Prudence

The District adheres to the guidance provided by the "prudent investor rule," which obligates a fiduciary to ensure that: "When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiar with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

4.2.5 Objective

The primary objectives, in priority order, of the District's investment activities are as follows:

- A. Safety: Safety of principal is the foremost objective of the investment program. It is the primary duty and responsibility of the District to protect, preserve and maintain cash and investments placed in its trust on behalf of the citizens of the community. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the District shall evaluate or have evaluated each potential investment seeking both quality in the issuer and in underlying security or collateral. The District will diversify its investments by investing funds among a variety of securities offering independent returns in order to reduce exposure to principal loss.
- B. Liquidity: In order to remain sufficiently liquid to meet all operating requirements which might be reasonably anticipated, an adequate percentage of the portfolio should be maintained in liquid short-term securities which can be converted to cash if necessary. Emphasis should be on marketable securities with low sensitivity to market risk.
- C. Return on Investments (Yield): The investment portfolio shall be designed with the objective of attaining a market rate of return throughout economic cycles, taking into account the investment risk constraints and liquidity needs. Yield should become a consideration only after the basic requirements of safety and liquidity have been met, and therefore is of the least importance when compared to safety and liquidity.

4.2.6 Delegation of Authority

In accordance with California Government Code Section 53601, the authority to invest public funds is expressly held under the authority of the Board. In accordance with California Government Code Section 53607, the Board is authorized to delegate the authority and responsibility for the day-to-day operations of investing and reinvesting District funds, as deemed appropriate.

- A. Investment Authority and Procedures: The Board has granted the authority of the management and operation of the investment program to the Treasurer and Assistant Treasurers who shall carry out established written procedures and internal controls of the program consistent with this investment policy.

4.2.7 Ethics and Conflicts of Interest

Directors, Treasurer, Assistant Treasurers, and all employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program, or impairs their ability to make impartial investment decisions. Additionally, the Treasurer and Assistant Treasurers are required to annually file applicable financial disclosures as required by the Fair Political Practices Commission.

4.2.8 Authorized Financial Dealers and Institutions

Should the District decide to use a Broker/Dealer who is authorized to provide investment services in the State of California, the Dealer/Broker must be approved by the Board of Directors. At that time, an approved Broker/Dealer list will be created and maintained by the Treasurer, which will be reviewed and affirmed by the Board annually. The Treasurer will obtain and have on file the latest audited financials of all approved Broker/Dealers. Each approved Broker/Dealer who desires to become a qualified bidder for investment transactions must supply the District with most recent audited financial statements, proof of National Association of Security Dealers Certification, trading resolution, proof of state registration, completed Broker/Dealer questionnaire, certification of having read the District's investment policy, and depository contracts. In addition, each Broker/Dealer will have a minimum of \$100 million in net capital or act as an introducing broker for a firm that meets the above requirement. All exceptions to the net capital rule will be subject to approval by the Board of Directors.

An annual review of the financial condition and registrations of qualified bidders will be conducted by the Treasurer. Competitive bidding is required for all investment transactions that are not classified as "new issue" securities. For the purchase of non-new issue securities and the sale of all securities, at least two bidders must be contacted.

4.2.9 Authorized and Suitable Investments

The District is governed by the California Government Code, Sections 53600 et seq. Within the context of these limitations, the following investments are authorized:

- A. Local Government Investment Pools (LGIP): District investments in one LGIP shall not exceed 40% of the District's total available investment capital. All LGIP's, except the Local Agency Investment Fund (LAIF) of the State of California, must maintain an AA or higher rating by a nationally recognized statistical rating organization. The District must adopt a resolution prior to investing in any LGIP, except the LAIF. All LGIP's, except the LAIF, must maintain a net asset value of \$1.00 per share and distribute interest monthly. All LGIP's shall have retained an investment adviser that meets all of the following criteria:
 - (1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.
 - (2) The adviser has not less than five years of experience investing in authorized securities.
 - (3) The adviser has assets under management in excess of \$500 million.

Investments in LAIF may be made up to the maximum amount permitted by State Law as long as the total investment in LAIF does not exceed 40% of the District's total available investment capital.

- B. FDIC-insured institutions' Certificates of Deposit, and Savings Accounts: District investments shall not exceed 40% of the District's total available investment capital, or more than 20% in a single FDIC-insured financial institution. Negotiable CD's of A1/P1 rated financial institutions are subject to separate limitations.
- C. Corporate Medium Term Notes (MTNs): District investments shall not exceed 20% of the District's total available investment capital. The maturity of MTNs will not exceed 5 years. The investment in one issuer will not exceed 5% of the District's total available investment capital. An MTN eligible for investment shall be rated in the minimum rating category of "A" by Moody's Investor Service or Standard & Poor's. There will be no investments in corporate medium term notes without prior Board approval.
- D. U.S. Government Bills, Notes, Bonds and Treasury Strips: There will be no limit to the amount of the investment portfolio in these instruments. Investments in any security that could result in a zero interest accrual if held to maturity is prohibited, with the exception of securities issued or backed by the U.S. Government.
- E. U.S. Government Agency/Instrumentalities other than above: District investments shall not exceed 40% of the District's total available investment capital. Maturity will be limited to 5 years unless offset by a long term liability. All investments over 5 years will state the liability which they offset.
- F. Bankers' Acceptances: The District may invest in bankers' acceptances (California Government Code Section 53601(g)). Purchases of bankers' acceptances will be limited to FDIC insured banks with a minimum of "A" ratings by Moody's Investor Service or Standard & Poor's. The maximum investment maturity will be restricted to 180 days. No more than 25% of the District's total portfolio may be invested in Banker's Acceptances and single-issuer holdings will be limited to 5% per issuer. There will be no investments in Bankers' Acceptances without prior Board approval.
- G. Commercial Paper: The District may invest in the highest grade of commercial paper as rated by Moody's Investors Service and Standard & Poor's (California Government Code Section 53601 (h)). The commercial paper may only be issued by a general corporation that is organized and operating within the United States, has total assets in excess of \$500 million, and has debt other than commercial paper that is rated "A" or higher by Moody's Investor Service or Standard & Poor's. Purchases shall not exceed 10% of the outstanding paper of the issuing general corporation. Maximum investment maturity will be restricted to 270 days. Maximum portfolio exposure is limited to 30% of the District's total investment portfolio and single-issuer holdings will be limited to no more than 5% per issuer. There will be no investments in commercial paper without prior Board approval.

- H. Negotiable Certificates of Deposit (NCD's): Investment limitations will be the same as money market instruments except for maturity. Maturity will not exceed 5 years. NCD's with a maturity in excess of 1 year will have a long term rating of A-/A3. Investment in one issuer will not exceed 5% of the District's total available investment capital. There will be no investment in negotiable certificates of deposit without prior Board approval.
- I. Mortgage Backed Securities (MBS) and Asset Backed Securities (ABS): MBS and ABS will not exceed 10% of the District's total available investment capital. Average life of the security will not exceed 5 years with a final legal maturity of no longer than 5 years. Credit ratings will be AAA/aaa. There will be no investments in mortgage backed securities or asset backed securities without prior Board approval.
- J. Mutual Funds: Mutual Funds will be limited to Money Market Funds with a Net Asset Value of \$1.00. Each Money Market Fund will have assets of a minimum of \$500 million. Only "No Load" Money Market Funds are eligible for investment. District investments shall not exceed 20% of the District's total available investment capital, or more than 10% in a single Money Market Fund. All Money Market Funds must maintain the highest rating by not less than two nationally recognized statistical rating organizations or retain an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500 million.

In general, for all of the above-referenced "Authorized and Suitable Investments," in accordance with Senate Bill 998, effective until January 1, 2026, in the event that an investment originally purchased within policy guidelines is downgraded to a credit level making the security ineligible for future purchases, the Treasurer may take action related to the downgrade. Any action taken by the Treasurer shall be consistent with the provisions contained in this policy. In the event such action is taken, it will be immediately reported to the Board.

The purchase of a security with a forward settlement date exceeding 45 days from the time of investment is prohibited.

4.2.10 Investment Pools/Mutual Funds

Government sponsored investment pools and mutual funds are to be carefully reviewed prior to investing and are to be monitored on an ongoing basis. Requisite information relating to investment pools and mutual funds are to be regularly reviewed by the District and includes the following:

1. Investment policy and objectives;
2. List of allowable investments;
3. Disclosure for settlement and safeguarding of investments;
4. Description of securities pricing and accounting compliance;
5. Explanation of interest calculations, distributions, disclosures;
6. Deposit and withdrawal restrictions; and,
7. Disclosure of audit findings and reports.

4.2.11 Collateralization

Collateralization shall be required on demand deposits, certificates of deposit, and repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, a minimum collateralization level is required.

State law regarding collateralization of deposits of public funds requires that securities be held by an agent (i.e. a trust company) of the bank, which may include the bank's trust department only if acceptable to both the bank and the Treasurer, pursuant to California Government Code Section 53656 and 53658. Under the provisions of California Government Code Section 53652, banks are required to secure the deposits of public funds, including certificates of deposits, by: a) pledging government securities with a value of 110 percent of the principal and accrued interest; b) pledging first trust deed mortgage notes having a value 150 percent of the total agency deposit; or c) a letter of credit drawn on the Federal Home Loan Bank of 105 percent of the total agency deposit. Deposits must be secured at all times with eligible securities pursuant to section 53651.

Collateralization of repurchase agreements must be at least 102 percent of the market value of principal and accrued interest. Collateral must consist of U.S. Treasury obligations or U.S. Agency obligations. Other specific requirements on repurchase agreements must be addressed in a master repurchase agreement between the District and the financial institution or broker/dealer.

4.2.12 Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, entered into by the District shall be conducted on a delivery-versus-payment (DVP) basis. To protect against fraud or embezzlement or losses caused by collapse of an individual securities dealer, all securities owned by the District shall be held in safekeeping by a third party bank trust department that has been designated by the Treasurer, acting as agent for the District under the terms of a custody agreement. All trades executed by a dealer will settle through the District's safekeeping agent as evidenced by safekeeping receipts.

4.2.13 Diversification

The investment portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security type or individual financial institutions. In a diversified portfolio, it must be recognized that measured losses are possible, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

4.2.14 Maximum Maturities

To the extent possible, the District will make every effort to match its investments with anticipated cash flow requirements. Matching maturities with cash flow dates will reduce the need to sell investments prior to maturity, thus reducing the market risk.

Express authority is granted to invest in investments with term to maturity of greater than five years with a maximum term of ten years from the date of settlement, provided the investments

are in accordance with stated policy and total investments shall not exceed the amount of long term liabilities outstanding. Investments exceeding 5 years will be matched with a corresponding liability.

4.2.15 Internal Control

The Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and, (2) the valuation of costs and benefits requires estimates and judgments by the Treasurer and Assistant Treasurers.

Accordingly, the Treasurer shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

1. Control of collusion. Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
2. Separation of transaction authority from accounting and record keeping. By separating the person who authorizes or performs the transaction from the person who records or otherwise accounts for the transaction, a separation of duties is achieved.
3. Custodial safekeeping. Securities purchased from any bank or dealer, including appropriate collateral (as defined by State Law), shall be placed with an independent third party for custodial safekeeping.
4. Avoidance of physical delivery of securities. Book-entry securities are much easier to transfer and track since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
5. Clear delegation of authority. The Investment Officers must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
6. Written confirmation of transactions for investments and wire transfers. Confirmations of trades will be mailed directly to the Treasurer. Confirmations will be checked against pending trades as soon as received. Any discrepancies will be immediately reported to the trade counter party and resolved. All investments and wire transfers will be approved by the Treasurer. In the absence of the Treasurer, an Assistant Treasurer may approve investments and wire transfers. However, upon the return of the Treasurer, the Treasurer will sign and re-approve all trade tickets and wires.

4.2.16 Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The objective of the portfolio should be to obtain a stable rate of return taking into consideration economic constraints commensurate with investment risk and cash flow requirements. Portfolio performance should be compared to appropriate benchmarks on a regular basis, as determined by the Treasurer.

- A. Market Yield. The District's investment strategy is passive (buy and hold). Given this strategy, the 52-week US Treasury Bill is used by the Treasurer as the basis to determine whether market yields are being achieved.

A statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that the minimal amount of review has been performed on the investment portfolio in terms of value and subsequently price volatility.

4.2.17 Reporting

The Treasurer shall submit to the Board a quarterly (or more frequently if so directed by the Board) report of the investment portfolio. This report will allow the Board to ascertain whether investment activities during the reporting period have conformed to the investment policy and as a minimum will include the following:

1. The type of investment, name of issuer, date of maturity, par and dollar amount invested in each security, investment, and money within the portfolio.
2. The weighted average maturity of the investments within the portfolio.
3. Any funds, investments, or programs, including loans that are under management of contracted parties.
4. The market value as of the date of the report, and the source of this valuation for any security within the portfolio.
5. A description of the compliance with the statement of investment policy.
6. A statement of the ability (or lack of) to meet six (6) months cash flow needs. If the answer is not affirmative, a statement as to why there may not be sufficient funds available and a proposed course of action to correct the insufficiency.

4.2.18 Investment Policy Adoption

In accordance with California Government Code Section 53646, the investment policy shall be reviewed and submitted to the Board in order to incorporate any changes necessary to ensure its consistency and relevance to current laws, and financial and economic trends. Any

additions, deletions and/or changes to this Investment Policy must always be reviewed and approved by the Board at a public meeting.

4.2.19 Glossary of Terms

Agencies — Federal agency securities and/or Government-sponsored enterprises.

Asked — The price at which securities are offered.

Bankers Acceptance (BA) — A draft, bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Benchmark — A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

Bid — Price a prospective buyer is ready to pay.

Broker/Dealer — Individual or firm acting as principal in securities transaction.

Callables — Securities that the issuer has the right to redeem prior to maturity.

Certificates of Deposit (CD) — A time deposit with a specific maturity evidenced by a certificate.

Collateral — Securities pledged to secure repayment of a loan.

Commercial Paper — The short-term unsecured debt of corporations, with maturities of no longer than 270 days.

Comprehensive Annual Financial Report (CAFR) — An expanded annual financial report. It includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material and a detailed statistical section.

Coupon — a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value; b) A certificate attached to a bond evidencing interest due on a payment date.

Custody — A banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement which also calls for the bank to collect and pay out income, to buy, sell, receive and deliver securities when ordered to do so by the treasurer.

Debenture — A bond secured only by the general credit of the issuer.

Delivery vs. Payment — There are two methods of delivery of securities: Delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities

with a simultaneous exchange of money. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Discount — The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

Discount Securities — Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.

Diversification — Dividing investment funds among a variety of securities offering independent returns.

Federal Credit Agencies — Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives and exporters.

Federal Deposit Insurance Corporation (FDIC) — A federal agency that insures bank deposits, currently up to \$100,000.00 per deposit.

Federal Funds Rate — The rate of interest associated with borrowing a Federal Reserve bank's excess reserves. This rate is currently pegged by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB) — Government sponsored wholesale banks (currently 12 regional banks) which lend funds and provide correspondent banking services to member commercial banks, draft institutions, credit unions and insurance companies.

Federal National Mortgage Association (FNMA or Fannie Mae) — A publicly owned government sponsored corporation chartered in 1938 to purchase mortgages from lenders and resell them to investors. FNMA is a federal corporation working under the auspices of the Department of Housing (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

Federal Open Market Committee (FOMC) — A committee that sets interest rate and credit policies for the Federal Reserve System, the United States' central bank. The FOMC has 12 members. Seven are the members of the Federal Reserve Board, appointed by the President of the United States. The other five are presidents of the 12 regional Federal Reserve banks. Of the five, four are picked on a rotating basis; the other is the president of the Federal Reserve Bank of New York, who is a permanent member. The committee decides whether to increase or decrease interest rates through open market operations of buying or selling government securities. The committee's decisions are closely watched and interpreted by economists and stock and bond market analysts, who try to predict whether the Fed is seeking to tighten credit to reduce inflation or to loosen credit to stimulate the economy.

Federal Reserve System — System established by the Federal Reserve Act of 1913 to regulate the U.S. monetary and banking system. The Federal Reserve System (the Fed) is comprised of 12 regional Federal Reserve Banks, their branches, and all national and state banks that are a part of the system. The Federal Reserve System's main functions are to regulate the national money supply, set reserve requirements for member banks, supervise the printing of currency at the mint, act as clearinghouse for transfer of funds throughout the banking system, and examine member banks to make sure they meet various Federal Reserve regulations.

Government National Mortgage Association (GNMA or Ginnie Mae) — A government-owned corporation, nicknamed Ginnie Mae, which is an agency of the U.S. Department of Housing and Urban Development. Security holders are protected by the full faith and credit of the U.S. government. Ginnie Mae securities are backed by the FHA, VA or FmHA mortgages. The term “pass throughs” is often used to describe Ginnie Maes.

Intermediate Maturity — Investment period greater than one year but less than five years and one day.

Liquidity — The ability to turn an asset into cash. The ability to buy or sell an asset quickly and in large volume without substantially affecting the asset's price.

Local Agency Investment Fund (LAIF) — The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

Long-Term Maturity — Investment period greater than five years.

Long-Term Investment — Maturity on investment greater than five years, as of the date of purchase.

Market Value — The price at which a security is trading, usually the liquidation value.

Master Repurchase Agreement — A written contract covering all future transactions between the parties to repurchase reverse repurchase agreements that establish each party's rights in the transactions. A master repurchase agreement will often specify the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

Maturity — The date upon which the principal or stated value of an investment becomes due and payable. An investments term of remaining maturity is measured from the settlement date to final maturity.

Money Market — The market in which short-term debt instruments (Treasury bills, commercial paper, bankers acceptances, etc.) are issued and traded.

Mutual Fund — An entity which pools the funds of investors and invests those funds in a set of securities which are specifically defined in the fund's prospectus. Mutual funds can be invested in various types of securities, as set forth in individual fund's prospectus.

Negotiable Certificate of Deposit (NCD) — A large denomination (\$100,000 and larger) certificate of deposit that is issued in bearer form and that can be traded in the secondary market. Due to their large denominations, NCDs are bought most often by large institutional investors.

Offer — Price at which someone who owns a security offers to sell it, also known as the asked price.

Open Market Operations — Activities by which the Securities Department of the Federal Reserve Bank of New York, popularly called the desk, carries out instructions of the Federal Open Market Committee designed to regulate the money supply. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

Portfolio — Collection of securities held by an investor.

Primary Dealer — Investment dealers authorized to buy and sell government securities in direct dealings with the Federal Reserve Bank of New York in its execution of Federal Open Market Operations. Such dealers must be qualified in terms of reputation, capacity, and adequacy of staff and facilities.

Qualified Investment — An investment instrument which is approved by this policy or pursuant to procedures set forth in this policy.

Range Note — An investment instrument that pays a high interest rate, if a given index falls within a stipulated range, but pays no interest if the stipulated index falls outside that range.

Rate of Return — The yield obtainable on a security based on its purchase price or its current market price.

Safety — The ability of a security issuer to guarantee redemption of the security.

Safekeeping — See custody.

Secondary Market — A market for the purchase and sale of outstanding issues following the initial distribution.

Securities & Exchange Commission — Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC Rule 15C3-1 — See Uniform Net Capital Rule.

Short-term Maturities — Investment period of one year or less.

Treasury Bills — A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in 13 weeks, 26 weeks, or 52 weeks.

Treasury Bonds — Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

Treasury Notes — Medium-term coupon bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to ten years.

Treasury Strips – Treasury Strips are treasury notes and treasury bonds whose interest and principal portions of the security have been separated, or “stripped”; these may then be sold separately (in units of \$100 face value) in the secondary market. The name derives from the days before computerization, when paper bonds were physically traded; traders would literally tear the interest coupons off of paper securities for separate resale.

Uniform Net Capital Rule — Securities and Exchange Commission requirement that member firms as well as nonmember broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members.

Yield — Percentage rate of interest received versus the purchase price of the instrument if held to maturity.



STAFF REPORT

Agenda Item: 10

Board Meeting Date: January 3, 2024

Prepared By: Randy Whitmann, Don Smith,
Frank Wolinski & Shallako Goodrick

Approved By: Brett Hodgkiss

SUBJECT: DIVISION REPORTS

RECOMMENDATION: Note and file informational report.

PRIOR BOARD ACTION: None.

FISCAL IMPACT: None.

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

WATER RESOURCES DIVISION

VID Water Production

November 2023

Description	Current Month Production		Average Production of Last 12 Months		Total, Fiscal Year-to-Date
	(mgd)	(af)	(mgd)	(af)	(af)
VID's EVWTP Water Production					
Local Water	3.98	366.20	2.82	263.76	1,450.90
SDCWA Raw Water	9.33	859.20	8.66	809.79	4,957.80
Subtotal (EVWTP Water Production)	13.31	1,225.40	11.48	1,073.55	6,408.70
Oceanside Contract Water	1.20	110.40	1.09	101.10	592.70
SDCWA Treated Water	-0.60	-54.90	0.97	91.81	594.70
TOTAL WATER PRODUCTION	13.91	1,280.90	13.55	1,266.46	7,596.10

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

Lake Henshaw

Storage as of December 19, 2023: 21,816 af (42% of 51,832 af capacity)
Current releases: 0 cfs*
Change in storage for month of November: 831 af (loss)
Total releases for month of November: 552 af
Hydrologic year-to-date rain total: 4.27 inches (December 19, 2023)
Percent of yearly average rain: 18% (30-year average: 23.78 inches)
Percent of year-to-date average rain: 56.3% (30-year average through December: 7.59 in.)

**Releases temporarily suspended due to high water level at Lake Wohlford; releases to resume once lake level is lowered.*

Warner Ranch Wellfield

Number of wells running in November: 0
Total production for month of November: 0 af
Average depth to water table (December): 79 ft (see attached historical water table chart)

December

- Harmful Algal Blooms (HABs)
 - Performed sampling for HABs in Lake Henshaw on November 28, 2023 and December 4 and 11, 2023. Microcystin and anatoxin-a concentrations were “non-detect” over this period with the exception of one site that was within the caution advisory for anatoxin-a on December 4, 2023; all samples taken on December 11, 2023 were “non-detect” for microcystin and anatoxin-a.
 - Participated in consultation meeting with the City of Escondido, San Luis Rey Indian Water Authority and the La Jolla and Rincon Indian Bands to discuss key findings and recommendations presented in the HABs Phase II Synthesis Report as well as HABs management and mitigation strategies for 2024.
- Performed annual inspection of the Henshaw Dam Outlet Tunnel.

January

- Attend San Luis Rey Indian Water Authority Board meeting on January 13, 2023.

ATTACHMENTS:

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

OPERATIONS & FIELD SERVICES

December

- Water Quality Call/Incident for December – received one taste and odor call. The call was investigated and determined to be a private plumbing issue.
- Inspected and tested three new backflow devices that were integrated into the District’s cross-connection control program.
- Continued planning for water service line inventory as required by the Environmental Protection Agency’s (EPA’s) new Lead and Copper Rule revisions.
- Completed mainline replacement of non-Nipponite AC pipe on Cabrillo Circle – installed approximately 150’ 4-inch PVC pipe and five services.
- Completed mainline replacement of Nipponite pipe on Olive Avenue – installed approximately 2,000’ of various sizes of PVC pipe, 38 services and 3 hydrant laterals.
- Continued mainline replacement of Nipponite and non-Nipponite AC pipe on Camino Loma Verde and Grandview Road – install approximately 1,850’ of various sizes of PVC pipe, 19 services and 2 hydrant laterals. Approximately 75% complete.
- Began mainline replacement of non-Nipponite AC pipe on Watson Way – install approximately 400’ of 8-inch PVC pipe, 8 services and 1 hydrant lateral.

January

- Submit lead service line field verification plan to the State Water Resources Control Board.
- Make repairs to Twin Oaks siphon.
- Continue mainline replacement of Nipponite and non-Nipponite AC pipe on Camino Loma Verde and Grandview Road – install approximately 1,850’ of various sizes of PVC pipe, 19 services and 2 hydrant laterals.
- Continue mainline replacement of non-Nipponite AC pipe on Watson Way – install approximately 400’ of 8-inch PVC pipe, 8 services and 1 hydrant lateral.

Electrical Energy Use at VID Headquarters

November 2023

	Current Month Production	Average of Last 12 Months	Total, Fiscal Year-to-Date
Description	(kWh)	(kWh)	(kWh)
Solar Production (\$0.19 per kWh)	16,500	18,525	64,240
Power purchased from Direct Energy (\$0.05 per kWh)	24,036	23,464	165,370
TOTAL ELECTRICAL ENERGY USE	40,536	41,989	229,610

ENGINEERING DIVISION

December

- The District has replaced approximately 10.43 miles of Nipponite pipe since 2002 with 5.49 miles remaining as shown below. Replacement of 0.70 miles of Nipponite pipe is currently in design and 0.39 miles is in construction.

Miles of Nipponite Remaining

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

- The District has replaced approximately 4,735 feet (0.90 miles) of pipe (steel – 1,284 feet, PVC – 0 feet, non-Nipponite asbestos cement – 1,194 feet and Nipponite – 2,257 feet) in Fiscal Year 2024.
- Edgehill (E) Reservoir Replacement and Pump Station – Gateway Pacific continued retaining wall construction, backfilling/grading around the reservoir, electrical/plumbing work, roofing on the pump station and site concrete flatwork. As of November 30, 2023, the project was approximately 93.9 percent complete based on time and 77.2 percent complete based on cost (\$7.18 million of \$9.30 million contract amount has been invoiced).
- Flume Replacement Alignment Study – conducted Board Workshop No. 3.
- Deodar Reservoir Rehabilitation – received and evaluated constructions bids.
- Projects along Flume
 - The Villages – 380 dwelling unit residential subdivision along Country Club Lane, between Nutmeg Street and Pamela Lane in Escondido. Project is under construction; storm drain work along the Jones Siphon is ongoing and the relocation of an 18-inch transmission main that feeds the Bennett service area has been completed.
 - Nutmeg Homes – 137 dwelling unit residential subdivision along Nutmeg Street between Centre City Parkway and Interstate 15 in Escondido. Project is in the design phase and requires District review and approval of grading, street and utility improvement plans along Nutmeg Street. Draft plans call for additional fill along Nutmeg Street and over approximately 400 feet of the Caldwell Siphon section of the Flume. The District has been requested to allow the additional fill and also to quitclaim the portion of the District's Flume easement over the property. Staff is currently working with the developer to accept their requests.

January

- Mainline Replacement Projects in design (current projects): Independence Wy., Elm Dr., Warmlands Ave., Lonsdale Ln.*, Alta Vista Dr., Vale Terrace Dr., McGavran Dr., Plumosa Ave., Via Christina, Lado De Loma Dr.*, Eddy Dr., Rancho Vista Rd., Indiana Ave.*, Camino Patricia, Camino Corto, Goetting Wy., Oro Avo Dr. *, Shale Rock Rd., Nevada Ave., N. Citrus Ave., Lemon Ave., Hillside Terrace, Buena Creek Rd., Estrelita Dr., Victory Dr., Oak Dr.*, Queens Wy., Watson Wy. (Total length = 7.79 miles).
- Mainline Replacement Projects in planning (future projects): Camino Culebra*, Catalina Ave.*, Friendly Dr.*, E. Vista Wy., Nordahl Rd.*, HN Line - Gopher Canyon Rd. to Fairview Dr., Buena Creek Rd.*, Lower Ln., Easy St.*, West AB Line – Esplendido Ave. and Bella Vista Dr.*, Colavo Dr.*, Rancho Vista Rd., Bandini Pl., HP Line – Hardell Ln. to Camino de las Lomas, Crescent Dr.*, Descanso Ave., San Clemente Ave.* (Total length = 6.69 miles).
- Edgehill (E) Reservoir Replacement and Pump Station – Gateway Pacific to deliver pump skid system for the pump station; continue backfilling/grading around the reservoir, electrical/plumbing work, pump station work, and site concrete flatwork.
- Flume Replacement Alignment Study – Brown and Caldwell to collect and evaluate additional information requested by the Board during Workshop No. 3.
- Deodar Reservoir Rehabilitation – award contracts for construction, construction management and inspection services.

*Nipponite pipe

ADMINISTRATION DIVISION

December

- Distributed materials regarding the District scholarship program to local high schools. Posted an electronic copy of the application materials on the website.
- Issued news releases regarding the scholarship program and annual organizational meeting.
- Continued recruitment for Equipment Operator position.
- Coordinated the Employee Appreciation Lunch Event.
- Met with the Public Affairs Committee to discuss the development of a Communication and Engagement Plan.

January

- Deliver Water Awareness calendars.
- Continue recruitment for Equipment Operator position.
- Begin recruitment for Administrative Assistant position.

ACHIEVEMENTS – FISCAL YEAR 2024

- Completed mainline replacement of non-Nipponite AC pipe on Cabrillo Circle – installed approximately 150' 4-inch PVC pipe and five services (December 2023).
- Completed mainline replacement of Nipponite pipe on Olive Avenue – installed approximately 2,000' of various sizes of PVC pipe, 38 services and 3 hydrant laterals (December 2023).
- Completed report related to implementing alternatives for the long-term management and mitigation of harmful algal blooms in Lake Henshaw (December 2023).
- Recognized at Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA) Board meeting; Risk Control Grant project (flow control facility solar panel project) and H.R. LaBounty Safety Award winning submittal (valve maintenance truck flatbed build) highlighted during presentations. Received ACWA JPIA President's Special Recognition Workers' Compensation Program award (November 2023).
- Hosted the WaterSmart Landscape Makeover Workshop (November 2023).

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

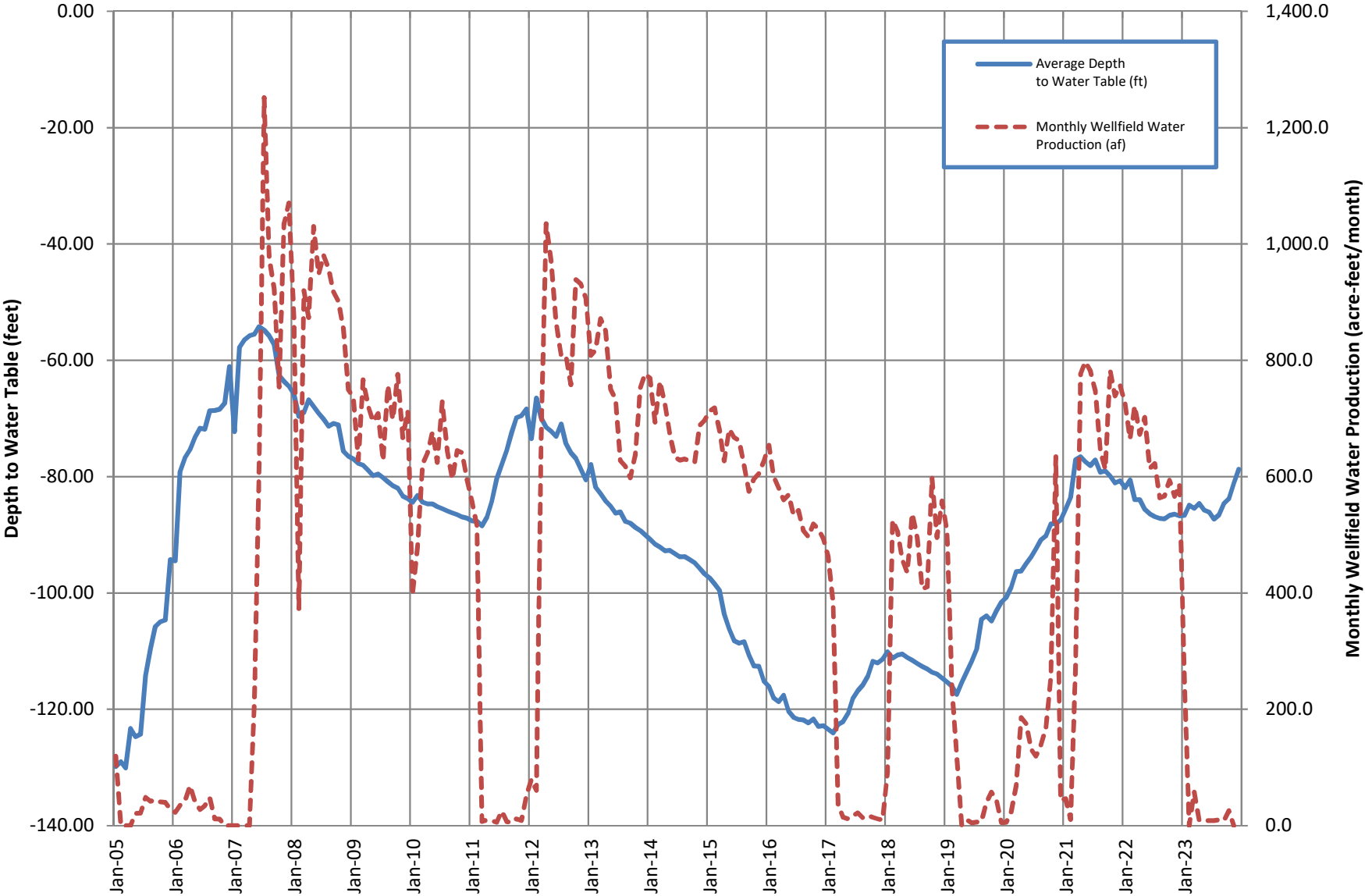


**LAKE HENSHAW RESORT, INC.
ACTIVITY REPORT
AS OF OCTOBER 31, 2023**

	2022 Oct	2022 Nov	2022 Dec	2023 Jan	2023 Feb	2023 Mar	2023 Apr	2023 May	2023 Jun	2023 Jul	2023 Aug	2023 Sep	2023 Oct	12 MO AVG
Fishing Permits	232	170	73	63	144	166	451	635	1,019	671	441	562	379	398
Boat Launches	0	6	2	2	0	2	24	44	48	37	26	31	15	20
Motor Boats (full day rental)	5	10	8	7	3	0	22	35	43	31	30	29	14	19
Motor Boats (half day rental)	2	2	0	0	0	0	3	8	3	26	9	11	3	5
Campground/Head Count	408	145	86	80	59	868	579	2,157	820	1,318	453	1,002	581	679
Campground/Cars, Trucks, etc.	175	55	40	30	44	51	186	732	268	416	244	426	204	225
Campground/Recreational Vehicles	6	13	3	10	12	7	22	6	0	16	0	1	31	10
Mobile Home/Spaces	72	72	73	70	70	70	70	70	71	72	72	72	71	71
M.H.P. (Residents/Head Count)	98	98	99	101	101	101	101	101	101	101	101	101	100	101
Storage	5	5	6	6	6	6	6	6	6	6	6	6	6	6
Cabins	148	148	162	78	81	180	210	187	51	215	130	235	152	152
Hunters	0	32	142	143	0	0	0	0	0	0	0	0	0	26

VID's Warner Wellfield

Water Table Depth vs. Monthly Wellfield Production



FY 2024 Budget and Expenses related to HABs

as of 12/20/2023

Description	Amount
Water Quality Testing Services & Supplies	
Cyanotoxin/Cyanobacteria Testing - Bend Genetics	\$ 65,098
Other Lab Testing	\$ 37,426
Sample bottles, misc. supplies & equipment	\$ 1,029
Shipping	\$ 11,865
Subtotal, approx. total expenses	\$ 115,418
VID Portion of approximate expenses	\$ 57,709
VID FY 2024 Budget	\$ 64,700
Percent of VID Budget	89%
 Water Treatment Services & Supplies	
Copper algaecide purchase	\$ 116,557
Copper algaecide application	\$ 23,750
Peroxide algaecide purchase	\$ 393,331
Peroxide algaecide application	\$ 89,810
Lanthanum-modified clay purchase	\$ 634,432
Lanthanum-modified clay application	\$ 49,900
Subtotal, approx. total expenses	\$ 1,307,780
VID Portion of approximate expenses	\$ 653,890
VID FY 2024 Budget	\$ 1,095,398
Percent of VID Budget	60%
 HABs Consultants	
VID Portion of approximate expenses	\$ 37,029
VID FY 2024 Budget	\$ 105,000
Percent of VID Budget	35%
 Total VID Expenses, FY 2024 to date	 \$ 748,628



STAFF REPORT

Agenda Item: 11

Board Meeting Date: January 3, 2024
Prepared By: Ramae Ogilvie
Approved By: Brett Hodgkiss

SUBJECT: DISTRICT COMMITTEES AND REPRESENTATIVES TO OUTSIDE ORGANIZATIONS

RECOMMENDATION: Review and ratify committee and outside organization appointments for 2024.

PRIOR BOARD ACTION: At its December 6, 2023 meeting, the Board elected Richard Vásquez as President, Patrick Sanchez as First Vice President, and Marty Miller, Peter Kuchinsky, and Jo MacKenzie as Vice Presidents for 2024. Shallako Goodrick was appointed as Treasurer with Brett Hodgkiss reappointed as Assistant Treasurer. Ramae Ogilvie was appointed as Board Secretary with Brett Hodgkiss as Assistant Secretary.

FISCAL IMPACT: Undetermined amount of expenses and per diem.

SUMMARY: For reference, the following list of the District committees and outside organization assignments for 2023 has been provided pending President Vásquez committee appointments for 2024.

ATTACHMENT: 2023 Committee and Outside Organization Appointments

STANDING COMMITTEES FOR 2023:

Water Sustainability

Miller, Chair; and Sanchez

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

Fiscal Policy

MacKenzie, Chair; and Vásquez

District budget and finances, including rates.

Warner Ranch

MacKenzie, Chair; and Miller

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

Public Affairs

Sanchez, Chair; and Kuchinsky

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

Groundwater

Kuchinsky, Chair, and Vasquez

Groundwater resources management and matters pertaining to the Sustainable Groundwater Management Act of 2014.

AD HOC COMMITTEE FOR 2023:

100TH Anniversary Celebration

Sanchez, Chair; and Vásquez

OUTSIDE ORGANIZATIONS FOR 2023

San Luis Rey Watershed Council

Kuchinsky; Alternate-MacKenzie

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

ACWA/JPIA

Sanchez; Alternate-Brett Hodgkiss

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

Southern California Water Committee

Miller

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

Groundwater Resources Association

Kuchinsky; Alternate-Vásquez

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



STAFF REPORT

Agenda Item: 12

Board Meeting Date: January 3, 2024
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: 13.A

Board Meeting Date: January 3, 2024
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: 13.B

Board Meeting Date: January 3, 2024
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 *	Council of Water Utilities <i>Jan. 16, 2024; 11:30 a.m.-1:00 p.m.; The Butcher Shop, San Diego</i> <i>Reservation deadline: 1/10/24</i>	MacKenzie (T) Miller (T)
2 *	State of the Community Luncheon <i>Jan. 22, 2024; 11:00 a.m.-1:00 p.m.; Morris B. Vance Community Room</i> <i>Reservation deadline: Open until sold out.</i>	MacKenzie (R) Sanchez (R) Kuchinsky (R) Vásquez (R)
3	Urban Water Institute's Spring Water Conference <i>Feb. 21-23, 2024; Palm Springs Hilton</i> <i>Early Bird Registration deadline: 12/31/23; Cancellation deadline: 1/21/24</i>	Vásquez (R, H)
4	Hoover Dam Tour (MWD) <i>May 2-4, 2024; Registration deadline: TBD</i>	Kuchinsky
5	ACWA Spring Conference <i>May 7-9, 2024; Sacramento</i> <i>Registration deadline: TBD</i>	
6	Special Districts Legislative Days (CSDA) <i>May 21-22, 2024; Sheraton Grand Sacramento Hotel; Sacramento</i> <i>Registration deadline: TBD</i>	
7	Diamond Valley Lake Tour (MWD, Hosted by Director Miller) <i>June 7, 2024; Diamond Valley Lake (1-day tour)</i> <i>Registration deadline: TBD</i>	
8	CSDA Annual Conference <i>Sept. 9-12, 2024; Indian Wells</i> <i>Registration deadline: TBD; Cancellation deadline: TBD</i>	
9	Western Groundwater Congress: A Sustainable Adventure (Groundwater Resources Association of California) <i>Oct. 7-9, 2024; Tahoe</i> <i>Registration deadline: TBD; Cancellation deadline: TBD</i>	
10	ACWA Fall Conference <i>Dec. 3-5, 2024; Palm Desert</i> <i>Registration deadline: TBD; Cancellation deadline: TBD</i>	
11	Colorado River Water Users Association Conference <i>Dec. 4-6, 2024; Paris, Las Vegas</i> <i>Registration deadline: TBD; Cancellation deadline: TBD</i>	

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

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

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



STAFF REPORT

Agenda Item: 14

Board Meeting Date: January 3, 2024
Prepared By: Brett Hodgkiss

SUBJECT: ITEMS FOR FUTURE AGENDAS AND/OR PRESS RELEASES

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

Staff-generated list of tentative items for future agendas:

- H.R. La Bounty Award recipients recognition (February)
- Leak Adjustment Policy
- Communication and Engagement Plan



STAFF REPORT

Agenda Item: 15

Board Meeting Date: January 3, 2024
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: 16

Board Meeting Date: January 3, 2024
Prepared By: Brett Hodgkiss

SUBJECT: COMMENTS BY GENERAL COUNSEL

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



STAFF REPORT

Agenda Item: 17

Board Meeting Date: January 3, 2024
Prepared By: Brett Hodgkiss

SUBJECT: COMMENTS BY GENERAL MANAGER

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



STAFF REPORT

Agenda Item: 18

Board Meeting Date: January 3, 2024
Prepared By: Brett Hodgkiss

SUBJECT: CLOSED SESSION TO CONDUCT PUBLIC EMPLOYEE PERFORMANCE EVALUATION – GENERAL MANAGER

SUMMARY: Performance evaluation of public employee pursuant to Government Code section 54957.

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

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF VISTA IRRIGATION DISTRICT, HELD ON JANUARY 3, 2024 WAS ADJOURNED UNTIL 9:00 AM, WEDNESDAY, JANUARY 17, 2024 AT THE OFFICE OF THE VISTA IRRIGATION DISTRICT, 1391 ENGINEER STREET, VISTA, CALIFORNIA.

* * * * *

AFFIDAVIT OF POSTING ORDER OF ADJOURNMENT OF MEETING

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)

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



Ramae A. Ogilvie, Secretary
Board of Directors
Vista Irrigation District

POSTED: January 3, 2024

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

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF VISTA IRRIGATION DISTRICT, HELD ON JANUARY 3, 2024 WAS ADJOURNED UNTIL 9:00 AM, WEDNESDAY, JANUARY 17, 2024 AT THE OFFICE OF THE VISTA IRRIGATION DISTRICT, 1391 ENGINEER STREET, VISTA, CALIFORNIA.

* * * * *

AFFIDAVIT OF POSTING ORDER OF ADJOURNMENT OF MEETING

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)

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



Ramae A. Ogilvie, Secretary
Board of Directors
Vista Irrigation District

POSTED: January 3, 2024