

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

January 7, 2015

A Regular Meeting of the Board of Directors of Vista Irrigation District was held on Wednesday, January 7, 2015, at the offices of the District, 1391 Engineer Street, Vista, California.

1. CALL TO ORDER

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

2. ROLL CALL

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

Directors absent: None.

Staff present: Roy Coox, General Manager; Lisa Soto, Secretary of the Board; Eldon Boone, Assistant General Manager; Don Smith, Director of Water Resources; Brian Smith, Director of Engineering; Brett Hodgkiss, Administrative Services Manager; Al Ducusin, Engineering Manager, Frank Wolinski, Operations and Field Services Manager; Susan Montgomery, Senior Accountant, and Marlene Kelleher, Finance Manager. General Counsel Joel Kuperberg was also present.

Other attendees: Scott Manno and Brianna Pascoe of the District's independent auditing firm Rogers, Anderson, Malody and Scott LLP. Also in attendance were the three candidates for the Division 4 Director position: Richard Poggemeyer, Randy Reznicek, and Patrick Sanchez.

3. PLEDGE OF ALLEGIANCE

Director Vásquez led the pledge of allegiance.

4. APPROVAL OF AGENDA

15-01-01	<i>Upon motion by Director Miller, seconded by Director Dorey and unanimously carried (4 ayes: Miller, Vásquez, Dorey, and MacKenzie), the Board of Directors approved the agenda as presented.</i>
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5. PUBLIC COMMENT TIME

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

6. CONSENT CALENDAR

15-01-02	<i>Upon motion by Director Miller, seconded by Director Vásquez and unanimously carried (4 ayes: Miller, Vásquez, Dorey, and MacKenzie), the Board of Directors approved the Consent Calendar, including Resolution No. 15-01 approving disbursements.</i>
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A. Minutes of Board of Directors meeting on December 17, 2014

The minutes of December 17, 2014 were approved as presented.

B. Resolution ratifying check disbursements

RESOLUTION NO. 15-01

BE IT RESOLVED, that the Board of Directors of Vista Irrigation District does hereby approve checks numbered 49142 through 49294 drawn on Union Bank totaling \$441,782.22.

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 7th day of January 2015.

7. FISCAL YEAR 2014 AUDIT

See staff report attached hereto.

Finance Manager Marlene Kelleher said that due to the implementation of the District's new finance software, the audit was being presented slightly later than usual but still on time. She credited the finance staff for this accomplishment. Senior Auditor, Brianna Pascoe, introduced herself and Partner, Scott Manno. She presented the process for and the results of the audit through the use of a PowerPoint presentation (attached hereto as Exhibit A). Ms. Pascoe stated that the District's financial statements and practices were reviewed and no material weaknesses were found involving the District's internal control structure or its operation. She complimented the District on a very clean audit, and she thanked the finance staff for their patience and assistance during the audit process.

Director Dorey inquired if staff or the auditors had an opinion on whether a more in-depth audit should be performed occasionally. Assistant General Manager Eldon Boone responded that the annual audit covers all that is required, and also goes above and beyond what is required by including a "Best Practices" letter. Mr. Boone said that the District requests this letter from the auditors each year to help the District improve its internal controls and procedures. Mr. Boone said that another thing that can be done to go more into depth with the audit would be to engage the auditors in an "agreed upon procedure". This typically involves in in-depth review of a specific area of the District's finances. Mr. Boone said that the District has not done anything like this in the past because there have not been any issues that would warrant this action. Mr. Manno stated that he recalled only one governmental agency which has engaged his firm for an agreed upon procedure in addition to the normal scope of its audit.

Ms. Pascoe provided a more detailed reviewed of the process used in performing the audit. The Board discussed the audit process and some of the District's internal reviews and controls.

15-01-03	<i>Upon motion by Director Miller, seconded by Director Dorey and unanimously carried (4 ayes: Miller, Vásquez, Dorey, and MacKenzie), the Board of Directors accepted the Fiscal Year 2014 audit report by Rogers, Anderson, Malody and Scott LLP.</i>
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8. FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2014

See staff report attached hereto.

Ms. Kelleher presented the financial report concerning the Lake Henshaw operations. She stated that overall the District experienced a \$5.5 million operating gain last fiscal year, adding that this gain was primarily the result of an increase in water sales. Mr. Boone provided clarification regarding the "burden allocation" shown on Page 1 of the report. Mr. Boone stated that the District applies burden in three areas: labor, contractual services, and supplies. Mr. Boone said that the burden allocation is the overhead costs associated with these three categories of expenses. Mr. Boone said the burden allocation noted on Page 1 of the report was specifically for the overhead costs associated with labor for the Lake Henshaw operations. Mr. Boone stated that the net loss noted on Page 1 of the report was primarily due to less water being produced by Lake Henshaw than was budgeted for. The Board discussed how the District budgets for water production from Lake Henshaw. The 10-year rolling average used in predicting water production at Lake Henshaw was explained and discussed by the Board. Mr. Boone said that last year the lake only produced 1,700 acre feet of water. He estimated that the District must receive approximately 3,000 acre feet of water from the lake in order to break even. Mr. Boone said that even though there is a net loss this year attributable to less water produced by Lake Henshaw, over the past ten years the District has experienced a net gain by having its own source of water at Lake Henshaw.

The Board thanked Ms. Kelleher for a well done report. Brianna Pascoe, Scott Manno, and Susan Montgomery left the meeting following the above discussion.

9. DIVISION REPORTS

See staff report attached hereto.

The Board received clarification on the Division Reports regarding a condominium project on Vista Way, and an apartment complex project on the north side of Bobier Drive. Director of Engineering Brian Smith said regarding the apartment complex on Bobier Drive, the project is being built on the top of a hill where water pressure will be minimal, so the project will require its own pump system. Mr. Smith said that pipelines are also being planned within the project to serve its internal fire system. Mr. Smith said that this project is being planned for the District to maintain the private pipeline at the owner's expense. Mr. Smith stated that this project will be on an upcoming agenda for consideration by the Board. The Board discussed liability issues associated with the District being responsible for the maintenance of the internal fire hydrants for this project. Mr. Smith responded that the District does not guarantee fire suppression anywhere in the District. General Counsel Kuperberg further clarified that the District's responsibility would be to meet the minimum pressure required for fire flow as determined by the fire department or the land use regulatory authority.

President MacKenzie commented that for a project such as this apartment complex project on Bobier, by the time it is presented to the Board for approval, it is already late in the process, leaving the Board little choice in the matter other than to approve the project. She wondered if there would be a way for the Board to hear about unusual projects such as this earlier in the process. Mr. Smith said that he understood the concern and that he would like to discuss the issue with the General Manager and with the Engineering staff. He suggested that perhaps the Board could review the project earlier in the process and provide a schematic approval with authorization for staff to sign the plans when they are complete. Mr. Smith said that President MacKenzie raised a good point and he would see if there is a solution that would make the process better for all the parties involved.

President MacKenzie inquired about the water bottle filling stations recently installed at three schools in the Vista Unified School District (VUSD). Mr. Coox said that District staff has been very involved in the installation process, and has made a point of checking on the stations since their installation to make sure they were installed properly and functioning correctly. Mr. Coox said that the District has not received official feedback from VUSD about the stations since their installation, but staff has been on the school sites for other District business, and the stations were observed working well, with the students lined up to use them.

10. DIVISION 4 DIRECTOR VACANCY

See staff report attached hereto.

The Board noted that three applications for the Division 4 Director vacancy were received by the 3:00 p.m. deadline the previous day. After discussing how to proceed, the Board elected to call for a Special Board meeting the following Wednesday, January 14, at 9:00 a.m. The Board expressed its intent to conduct interviews, select a candidate, and seat the new Director, all at the January 14 Special meeting. The Board confirmed the availability of the three candidates for that date and time, since they were all present in the audience. General Counsel Joel Kuperberg advised that he would not be available to attend on January 14, adding that he did not believe there to be any legal reason for his attendance. The Board agreed that it could conduct this meeting without the presence of General Counsel.

The Board discussed the process in which it would conduct the interviews, including whether a standard set of questions should be asked of each candidate, or if the questions should be tailored to each individual candidate. The consensus of the Board was to allow each Board member to pose his or her own questions of each candidate. Mr. Kuperberg stated that while the Board has a great deal of discretion regarding how to conduct the interviews, the Board should remain mindful that it may not ask any question which would not be allowable in an employment interview. Mr. Kuperberg stated that since the interview process must be conducted in an open and public meeting, the Board could not make anyone in the audience leave the Boardroom while one candidate is being interviewed. He added that the Board could ask the other two candidates, as a courtesy, to leave the room. He continued that it would be up to the candidate to stay or leave the room. Mr. Kuperberg said that deliberations must also be done in public, but the Board could again ask the candidate to leave as a courtesy while the Board deliberates.

The Board elected to conduct the interviews in one hour blocks beginning at 9:00 a.m. with Mr. Randy Reznicek, followed by Mr. Patrick Sanchez at 10:00 a.m., and then Mr. Richard Poggemeyer at 11:00 a.m.

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

See staff report attached hereto.

Director Miller reported that there had not been a meeting of the Water Authority Board of Directors since his last report.

12. REPORTS ON MEETINGS AND EVENTS ATTENDED BY DIRECTORS, AND AUTHORIZATION FOR DIRECTOR ATTENDANCE AT UPCOMING MEETINGS AND EVENTS

See staff report attached hereto.

Director Vasquez requested authorization to attend the Council of Water Utilities (COWU) meeting in Poway on January 20, 2015. He also requested to attend the Urban Water Institute Spring Conference March 4-6 in Palm Springs.

Director Dorey requested authorization to attend the Council of Water Utilities (COWU) meeting in Poway on January 20, 2015.

President MacKenzie requested authorization to attend the CSDA Special District Legislative Days, May 19-20, 2015 in Sacramento. She also requested to attend the CSDA Annual Conference, September 21-24, 2015 in Monterey.

15-01-04	<i>Upon motion by Director Miller, seconded by Director Dorey and unanimously carried (4 ayes: Miller, Vásquez, Dorey, and MacKenzie), the Board of Directors authorized the following Director attendances: Vasquez and Dorey to attend the Council of Water Utilities meeting in Poway on January 20, 2015; Vásquez to attend the Urban Water Institute Spring Conference March 4-6 in Palm Springs; President MacKenzie to attend the CSDA Special District Legislative Days, May 19-20, 2015 in Sacramento and the CSDA Annual Conference, September 21-24, 2015 in Monterey.</i>
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13. ITEMS FOR FUTURE AGENDAS AND/OR PRESS RELEASES

See staff report attached hereto.

President MacKenzie requested that staff provide the list of Board Committees with the expanded descriptions and duties at the January 14 Special meeting so that all the Board members, including the newly seated member, can think about on which committees they would like to serve in 2015.

14. COMMENTS BY DIRECTORS

Director Vásquez reported on various recent news articles including one about duck hunting at Lake Henshaw, and another about the LAFCO Advisory Committee being in favor of the merger between the Fallbrook Public Utilities District and the Rainbow Municipal Water District. He reported on an article about the San Diego County Water Authority's lobbyists in Sacramento and in Washington D.C., and an article about a neighborhood north of Rancho Santa Fe that is set to receive recycled water for its landscaping irrigation.

Director Dorey commented on a news report that stated that most of California is on track to reduce its overall water consumption 20 percent by 2020 with the exception of the southeastern portion of the state. Director Dorey commented that this report seemed a little unfair since the southeastern region typically uses very little water to begin with, and he imagined it would be difficult for that portion of the state to reduce its consumption by 20 percent.

15. COMMENTS BY GENERAL COUNSEL

None were presented.

16. COMMENTS BY GENERAL MANAGER

Mr. Coox informed the Board that the water level at Lake Henshaw was currently at 4,000 acre feet mainly due to continued pumping of groundwater into the lake. Mr. Coox noted that at 4,000 acre feet, the lake is almost at eight percent of capacity.

Mr. Coox reported that according to the Water Authority water usage is down by 10 percent statewide; however, for the San Diego Region usage is up slightly for the month of November compared to the same month in the previous year. Mr. Coox said that the District's usage is up by about one percent, which is in line with the rest of the Region.

Mr. Coox stated that CSDA has announced its list of teacher grant recipients, and the application forwarded to CSDA by the District was on the list to receive a grant. Mr. Coox said that the winning application was from a teacher at Rancho Buena Vista High School (RBV). Mr. Coox said that a representative from CSDA would be going to RBV to present the award. He recalled that last year Director Vásquez accompanied the CSDA representative in presenting the award to the recipient. The Board requested that staff accompany CSDA this year in this task.

Mr. Coox reported that when staff prepared the proposed calendar for Board meetings in 2015, two dates were overlooked that conflict with the North County Water Group (NCWG) meetings. The NCWG meetings take place on the Wednesday before the Water Authority Board meeting, beginning at 7:00 a.m. As the Water Authority representative for the District, Director Miller regularly attends these meetings. When the NCWG meeting falls on a VID Board meeting day, the Board typically elects to begin its meeting at 9:00 a.m. instead of 8:30 a.m., in order to accommodate Director Miller's schedule. The Board directed staff to post the January 21 Board agenda with the start time of 9:00 a.m. The Board further directed staff to revise the Board calendar to show the later start time on October 21 as well. Mr. Kuperberg advised that the Board can elect to change its meeting times and repost them to keep the public apprised of its intended schedule for the year.

Director Dorey requested that the revised calendar be sent to Yuima Municipal Water District to assist in scheduling meetings of the Upper San Luis Rey Watershed Authority.

A brief break was taken from 10:25 a.m. to 10:38 a.m.

17. CLOSED SESSION FOR CONFERENCE WITH LEGAL COUNSEL

President MacKenzie adjourned the meeting to closed session at 10:38 a.m. for a conference with legal counsel per Paragraph (1) of subdivision (d) of Government Code section 54956.9 to discuss the following pending litigation:

- A. San Luis Rey Indian Water Rights Litigation (Settlement)
- B. Quantification Settlement Agreement (QSA)

The meeting reconvened in open session at 11:53 a.m. President MacKenzie declared that no reportable action had been taken.

17. ADJOURNMENT

There being no further business to come before the Board, at 11:53 a.m. President MacKenzie adjourned the meeting to January 21, 2015 at 9:00 a.m.


Jo MacKenzie, President

ATTEST:


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



Cash Disbursement Report

Payment Dates 11/27/2014 - 12/17/2014

Payment Number	Payment Date	Vendor	Description	Amount
49142	12/02/2014	ACWA/JPIA	Health Insurance 12/2014	402.43
	12/02/2014		Health Insurance 12/2014 VID	118,867.05
	12/02/2014		Health Insurance 12/2014 Retiree	33,340.46
	12/02/2014		Health Insurance 12/2014 P Dorey	1,181.60
	12/02/2014		Health Insurance 12/2014 R Vasquez	1,181.60
	12/02/2014		Health Insurance 12/2014 J Franklin	1,426.09
	12/02/2014		Health Insurance 12/2014 J MacKenzie	1,426.09
	12/02/2014		Health Insurance 12/2014 M Miller	1,426.09
49143	12/02/2014	Blue Shield of CA Life & Health	Health Insurance 12/2014 VID	1,513.19
	12/02/2014		Health Insurance 12/2014 M Miller	13.83
	12/02/2014		Health Insurance 12/2014 R Vasquez	13.83
	12/02/2014		Health Insurance 12/2014 J Franklin	13.83
	12/02/2014		Health Insurance 12/2014 J MacKenzie	13.83
	12/02/2014		Health Insurance 12/2014 P Dorey	13.83
49144	12/02/2014	Boot World Inc	Footwear Program (2)	346.05
49145	12/02/2014	Cecilia's Safety Service Inc	Traffic Control - Oceanview Dr	1,543.50
	12/02/2014		Traffic Control - Ponderosa (3 Locations)	3,024.00
	12/02/2014		Traffic Control - S Melrose	945.00
49146	12/02/2014	City of Vista	Right of Way Permits 10/2014	5,360.00
49147	12/02/2014	Direct Energy	Electric 10/2014	1,480.22
	12/02/2014		Electric 10/2014	14,702.43
	12/02/2014		Electric 10/2014	44.31
	12/02/2014		Electric 10/2014	24.44
	12/02/2014		Electric 10/2014	4,101.62
	12/02/2014		Electric 10/2014	30.79
49148	12/02/2014	DIRECTV	TV Service 11/19/2014 - 12/18/2014	60.99
49149	12/02/2014	Electrical Sales Inc	Electrical Material - Station 12	185.09
49150	12/02/2014	IDEXX Distribution Corporation	QC For Colilert Media	174.02
49151	12/02/2014	Innovyze Inc	Upgrade License	3,050.00
49152	12/02/2014	Jo MacKenzie	ACWA Board of Directors Mtg 11/21/2014	446.02
49153	12/02/2014	Moodys	Dump Fee (3)	150.00
49154	12/02/2014	San Diego Gas & Electric	Gas 11/2014	381.82
	12/02/2014		Electrical Transmission 11/2014	3,253.43
	12/02/2014		Electric 10/2014	210.96

Payment Number	Payment Date	Vendor	Description	Amount
	12/02/2014		Electric 10/2014	109.47
	12/02/2014		Electric 10/2014	8,200.89
	12/02/2014		Electric 10/2014	94.25
49155	12/02/2014	The Lincoln National Life Insurance Co	Life/STD/LTD 12/2014	4,925.09
49156	12/02/2014	TS Industrial Supply	2-1/2" x 20ft DJ Fire Hose	87.89
	12/02/2014		Flare Tool Kit	265.39
49157	12/02/2014	Verizon Wireless	Cell Phone Service 11/2014	1,481.52
49158	12/10/2014	Active Auto Collision	Head Light Unit - Truck 27	81.62
49159	12/10/2014	ARC Ergonomics	Ergonomic Chairs (5)	2,287.98
49160	12/10/2014	AT&T	Service 11/2014	2,305.54
49161	12/10/2014	AT&T Mobility	Aircard	38.77
49162	12/10/2014	B&D Nutritional Ingredients	Customer Refund - Closing	252.80
49163	12/10/2014	Benchmark Landscape Services Inc	Irrigation Repairs	7.00
	12/10/2014		Tree Trimming (2)	250.00
49164	12/10/2014	Benetrac	Employee Benefits Tracking 12/2014	400.00
49165	12/10/2014	California Chamber of Commerce	Membership 01/03/2015 - 01/03/2016	958.00
	12/10/2014		Labor Law Supplies	489.76
49166	12/10/2014	Capital Growth Properties	Customer Refund - Closing	209.69
49167	12/10/2014	CDW Government Inc	Backup Exec Agent App and DB	500.00
	12/10/2014		Backup Exec Agent App and DB	300.00
	12/10/2014		Backup Exec Agent App and DB	998.00
	12/10/2014		Backup Exec Server	100.00
	12/10/2014		Backup Exec Agent	1,040.00
49168	12/10/2014	Cecilia's Safety Service Inc	Traffic Control - Mistletoe St (3 Locations)	2,646.00
49169	12/10/2014	Central Voice	Answering Service 11/20/2014 - 12/19/2014	56.00
49170	12/10/2014	Charles Joshlin	Customer Refund - Closing	163.00
49171	12/10/2014	Comlink Lasercare	Lexmark C920 Service	125.00
	12/10/2014		Lexmark C920 Travel fee	45.00
49172	12/10/2014	Crozier's Flowers	Flowers	67.22
49173	12/10/2014	CWEA	Certification Renewal	245.00
49174	12/10/2014	Delta Dental Insurance Company	Dental Insurance 12/2014	20.23
	12/10/2014		Dental Insurance 12/2014	20.23
	12/10/2014		Dental Insurance 12/2014 - VID	185.23
49175	12/10/2014	Diamond Environmental Services	Portable Restroom Service	135.00
49176	12/10/2014	EDCO Waste & Recycling Services Inc	Trash/Recycle 11/2014	204.01
	12/10/2014		40 yd. Dumpster	457.57
49177	12/10/2014	El Camino Rental	Vibra Plate For Turf Installation	85.50
49178	12/10/2014	Electrical Sales Inc	Electrical Material - HP Vault	204.81
49179	12/10/2014	Evoqua Water Technologies LLC	Lab D.I. Exchange	33.00

Payment Number	Payment Date	Vendor	Description	Amount
49180	12/10/2014	Ferguson Waterworks	Lever Handles for 3/4" & 1" (25)	133.18
	12/10/2014		10" 1/16 Ring Gaskets (150)	691.69
49181	12/10/2014	Fleet Pride	Lashing Rings (2) - Trailer 05	22.08
49182	12/10/2014	Garza Paving	Final Road Repair - Melrose	4,968.36
	12/10/2014		Road Repair - Various Locations (7)	5,340.65
49183	12/10/2014	GASB	Subscription Renewal 2015	225.00
49184	12/10/2014	Glennie's Office Products Inc	Office Supplies	629.30
	12/10/2014		Office Supplies	99.66
	12/10/2014		Office Supplies	(45.86)
49185	12/10/2014	Grainger	Screw Pitch Gauges (2)	19.94
49186	12/10/2014	Hawthorne Lift Systems	Air Filters - B21 (2)	98.11
49187	12/10/2014	HD Supply Waterworks	3/4 x 1/8 Meter Gasket, Neoprene (500)	81.38
	12/10/2014		3/4 x 1/16 Meter Gasket, Neoprene (500)	65.11
	12/10/2014		1 x 1/16 Meter Gasket, Neoprene (500)	86.80
	12/10/2014		1 x 1/8 Meter Gasket, Neoprene (500)	97.65
49188	12/10/2014	Hydro-Scape Products Inc	PVC Pipe for Well 34A	215.88
49189	12/10/2014	Janaka Sarathchandra	Customer Refund - Overpayment	265.09
49190	12/10/2014	Jean Potter	Customer Refund - Closing	134.07
49191	12/10/2014	John & Valerie Lahorgue	Customer Refund - Closing	195.91
49192	12/10/2014	Kiewit Shea Desalination	Customer Refund - Closing	933.23
	12/10/2014		Customer Refund - Closing	710.00
	12/10/2014		Customer Refund - Closing	1,432.80
49193	12/10/2014	Kimball Midwest	Cutting Oil, Connectors, Lube, Rust Sealer - Shop	118.72
49194	12/10/2014	Lightning Messenger Express	Messenger Service 11/14/2014	29.00
49195	12/10/2014	Lisa Snedeger	Customer Refund - Closing	166.47
49196	12/10/2014	Major Surplus & Survival, Inc	Emergency Meals for Operations Center (8 cases)	452.94
49197	12/10/2014	Marlene Kelleher	ACWA 2014 Fall Conference & Exhibition 12/2014	101.46
49198	12/10/2014	Matheson Tri-Gas Inc	Nipples for Oxy-Ace Hoses	9.36
49199	12/10/2014	Metroplex Theatres LLC	Employee Movie Tickets (150)	1,125.00
	12/10/2014		Shipping	12.00
49200	12/10/2014	NAPA Auto Parts	Radiator - Truck 30	201.88
	12/10/2014		Radiator - Truck 30	(201.41)
	12/10/2014		Fuel Line Hose - Shop	24.03
	12/10/2014		Radiator - Truck 19	175.35
	12/10/2014		Radiator - Truck 19	175.35
	12/10/2014		Radiator - Truck 19	136.07
	12/10/2014		Radiator - Truck 19	(174.95)
	12/10/2014		Radiator - Truck 19	(174.95)
	12/10/2014		Service Filters-Air, Oil & Fuel - A8	56.40

Payment Number	Payment Date	Vendor	Description	Amount
	12/10/2014		Impact Universal Adapter - Shop	44.36
	12/10/2014		Parts Cleaner - Shop	91.79
	12/10/2014		Exhaust Gaskets - Truck 23 (3)	18.33
	12/10/2014		Exhaust Gasket	15.14
	12/10/2014		Exhaust Gasket - Truck 23	15.11
	12/10/2014		Battery & Core - Truck 11	49.13
	12/10/2014		Welder Battery Core - Truck 11	(8.10)
	12/10/2014		Exhaust Gasket - Truck 23	(4.31)
49201	12/10/2014	North County Auto Parts	Reflectors	(5.82)
	12/10/2014		Stick-on Reflectors	14.84
	12/10/2014		Transmission Line Connector - Truck 23	18.64
49202	12/10/2014	OCHS Oil Co	Fuel 11/2014	9,025.38
	12/10/2014		Henshaw Fuel 11/2014	58.80
49203	12/10/2014	Pacific Pipeline Supply	Fire Hydrant 6x4x2.5	11,954.53
	12/10/2014		Coupling 8" Repair Macro	902.61
49204	12/10/2014	Patrick Beatty	Customer Refund - Closing	192.61
49205	12/10/2014	Quality Chevrolet	Smog Test - Car 50	59.99
49206	12/10/2014	Ramona Disposal Service	Trash Service 11/2014	147.53
49207	12/10/2014	Raymond Handling Solutions Inc	Electric Forklift Service - F3	98.00
49208	12/10/2014	Robert Riley	Customer Refund - Closing	176.76
49209	12/10/2014	Rouse Sign & Graphics	Label Stickers	61.85
49210	12/10/2014	S & J Supply Company Inc	5/8 Brass Nuts (250)	265.82
	12/10/2014		5/8 x 2-1/2" Brass Bolts (250)	922.25
	12/10/2014		6"-8" Flange Nut and Bolt Kits (150)	797.48
49211	12/10/2014	San Diego County Credit Union	Service Awards Gift Cards (15)	1,795.00
49212	12/10/2014	San Diego County Vector Control Program	County Mosquito Control	269.56
49213	12/10/2014	San Diego Gas & Electric	Electric 11/2014	92.25
	12/10/2014		Electric 08/2014	45.55
49214	12/10/2014	San Diego Union-Tribune LLC	Employment Ad - Welder	1,490.92
49215	12/10/2014	SANDAG	Statistical Report Preparation 09/2014 - 10/2014	125.00
49216	12/10/2014	Steven Enterprises Inc	Oce Printer Paper	168.17
49217	12/10/2014	Sunrise Materials Inc	Straw Waddles, Stakes	212.66
	12/10/2014		Rock for Meter Box	26.04
	12/10/2014		Gravel for Meter Boxes	48.83
	12/10/2014		Concrete 90lb bag	1,128.40
	12/10/2014		Sand for Turf Block	159.50
	12/10/2014		Top Soil for Turf Block	126.95
49218	12/10/2014	Terryberry	Service Award Pins (4)	611.77
49219	12/10/2014	UniFirst Corporation	Uniform Services	301.61

Payment Number	Payment Date	Vendor	Description	Amount
49220	12/10/2014	Verizon Wireless	Remote Access - SCADA	151.09
49221	12/10/2014	Vista Lock & Safe Co	Keys	79.08
49222	12/10/2014	Water Education Foundation	Membership 2015 - R Coox	350.00
49223	12/10/2014	Weseloh Chevrolet	Transmission Coolant Lines (2) - Truck 23	141.03
49224	12/10/2014	William Camilo	Customer Refund - Closing	120.00
49225	12/17/2014	ACWA/JPIA	Dam Failure Insurance 10/01/2014 - 10/01/2015	26,750.00
49226	12/17/2014	Alexander Minerva	Customer Refund - Closing	83.78
49227	12/17/2014	Amber Showalter	Customer Refund - Closing	140.00
49228	12/17/2014	Boot World Inc	Footwear Program	175.00
49229	12/17/2014	California Department of Justice	Fingerprinting	49.00
49230	12/17/2014	Cannon Pacific Services Inc	Street Sweeping	375.00
49231	12/17/2014	Canon Solutions America, Inc	Copier Maintenance	145.80
49232	12/17/2014	Capital One Commercial	AWWA Water Quality Workshop Refreshments	28.52
	12/17/2014		AWWA Water Quality Workshop Refreshments	12.48
	12/17/2014		Retirement Gift	379.74
	12/17/2014		TV's for Dispatch & SCADA (2)	700.18
	12/17/2014		Camera for Engineering	176.99
	12/17/2014		Membership Dues	165.00
	12/17/2014		Rebate	(191.00)
	12/17/2014		Warehouse Supplies	657.45
	12/17/2014		HR Supplies	33.15
	12/17/2014		All Hands/Health Fair	191.71
	12/17/2014		All Hands/Training	90.94
49233	12/17/2014	Cecilia's Safety Service Inc	Traffic Control - E Vista Way	1,130.00
	12/17/2014		Traffic Control - Warmlands	1,227.00
	12/17/2014		Traffic Control - Salem	630.00
	12/17/2014		Traffic Control - Lado De Loma	1,008.00
49234	12/17/2014	Charles Watkins	Customer Refund - Closing	83.00
49235	12/17/2014	CI Solutions	ID Badges/Maint 12/19/2014 - 12/15/2015	120.00
49236	12/17/2014	City Of Escondido	Water/Canal Fee 10/2014 - 12/2014	2,500.00
49237	12/17/2014	Coast Equipment Rentals	Fuel Tank Gasket & Flange	200.73
49238	12/17/2014	Comlink Lasercare	Lexmark C920 service	125.00
49239	12/17/2014	CoreLogic Solutions Inc	RealQuest Annual Renewal	3,600.00
49240	12/17/2014	Crystal Jones	Customer Refund - Overpayment	85.26
49241	12/17/2014	Delta Dental of California	Dental Insurance 12/2014	84.50
	12/17/2014		Dental Insurance 12/2014 - VID	10,106.17
	12/17/2014		Dental Insurance 12/2014 P Dorey	84.50
	12/17/2014		Dental Insurance 12/2014 J Franklin	84.50
	12/17/2014		Dental Insurance 12/2014 J MacKenzie	84.50

Payment Number	Payment Date	Vendor	Description	Amount
	12/17/2014		Dental Insurance 12/2014 R Vasquez	84.50
	12/17/2014		Dental Insurance 12/2014 M Miller	84.50
49242	12/17/2014	Don Smith	CRWUA Conference 12/11/14	117.60
49243	12/17/2014	Drug Testing Network Inc	Maintenance Fee 01/2015 - 01/2016	95.00
49244	12/17/2014	Electrical Sales Inc	Fuse Switch for "C" Reservoir	167.84
49245	12/17/2014	Ferguson Waterworks	Service Saddle 8x2 C900 PVC (5)	589.75
	12/17/2014		Gate Valve 10" POxFL R/W C900 (4)	6,375.42
	12/17/2014		Service Saddle 8x2 C900 PVC (5)	589.75
	12/17/2014		Corp Stop 2" (10)	1,877.16
	12/17/2014		Service Saddle 10x1 C900 PVC (11)	1,193.50
	12/17/2014		Tubing 2" Copper Soft (100)	1,410.50
	12/17/2014		Tee 10" Cast Iron POxFL	279.93
49246	12/17/2014	First Bankcard	CRWUA Conference 12/2014 - D Smith	445.00
	12/17/2014		Getting Serious About Drought Mtg- D Smith	30.00
	12/17/2014		Seminar 11/2014	200.00
	12/17/2014		Seminar 11/2014	200.00
	12/17/2014		ACWA Fall Conference 12/2014 - M Kelleher	695.00
	12/17/2014		ACWA Fall Conference 12/2014 - B Hodgkiss	510.00
	12/17/2014		CRWUA Conference - R Vasquez	126.20
	12/17/2014		CRWUA Conference - R Vasquez	104.00
	12/17/2014		ACWA Fall Conference 12/2014 - J MacKenzie	695.00
	12/17/2014		ACWA Fall Conference 12/2014 - M Miller	695.00
	12/17/2014		ACWA Fall Conference 12/2014 - R Vasquez	695.00
	12/17/2014		ACWA Fall Conference 12/2014 - P Dorey	695.00
	12/17/2014		CRWUA Conference 12/2014 - J MacKenzie	445.00
	12/17/2014		Special District Leadership Academy - L Soto	162.75
	12/17/2014		ACWA Fall Conference 12/2014 - R Coox	695.00
	12/17/2014		ACWA Fall Conference 12/2014 - E Boone	695.00
49247	12/17/2014	Garza Paving	Road Repair - Various Locations (19)	17,022.10
49248	12/17/2014	Gemini Pest Control Inc	Removal of Bees (4)	340.00
	12/17/2014		Bee Removal (2)	170.00
49249	12/17/2014	D.H. Maintenance Services	Janitorial Service 12/2014	1,850.00
49250	12/17/2014	GLC-(CA) Vista LLC	Solar Energy 11/2014	3,809.66
49251	12/17/2014	Glennie's Office Products Inc	Office Supplies	6.66
	12/17/2014		Office Supplies	448.53
	12/17/2014		Office Supplies	118.42
	12/17/2014		Office Supplies	725.19
	12/17/2014		Office Supplies	113.77
	12/17/2014		Office Supplies	330.17

Payment Number	Payment Date	Vendor	Description	Amount
49252	12/17/2014	Grainger	Pressure Regulators (2)	118.88
	12/17/2014		Pressure Regulators (2)	123.67
	12/17/2014		Filter for Hydration Station	132.61
49253	12/17/2014	H F Scientific Inc	DPD Dispenser	161.29
49254	12/17/2014	Hach Company	Lab Supplies	1,391.52
	12/17/2014		Water Quality Field Supplies	1,049.74
	12/17/2014		Cleaning Solution	116.37
49255	12/17/2014	Hawthorne Machinery Co	Starter Core - B19	(389.71)
	12/17/2014		Lamps - L4	106.34
	12/17/2014		Armrest Kit - L4	100.08
	12/17/2014		Belts - L4, Light Bulbs - Shop	131.73
	12/17/2014		Air Filters - B22	98.11
	12/17/2014		Battery - B16	121.88
49256	12/17/2014	HD Supply Waterworks	Meter Adapter 3/4 x 1 (75)	638.79
	12/17/2014		Brass Hose Nipple 2" MIPT x 2.5" MHT (6)	124.02
	12/17/2014		Brass Swivel Adapter 2.5 FHT x 2" MIPT (6)	259.42
	12/17/2014		Fire Hydrant Spool 6x12 (4)	336.35
49257	12/17/2014	Home Depot Credit Services	Flashlight, Paint & Paint Supplies	105.89
	12/17/2014		Chain, Paint & Paint Supplies	49.06
	12/17/2014		Refrigerators for VID (2)	1,082.83
	12/17/2014		Irrigation Parts for E1 Reservoir	16.25
	12/17/2014		Paper Towel Holder	5.41
	12/17/2014		PVC Pipe Fittings	17.58
	12/17/2014		Electrical Material for "C" Reservoir	110.89
49258	12/17/2014	InfoSend Inc	Postage 11/2014	5,284.32
	12/17/2014		Mailing Service 11/2014	2,110.15
	12/17/2014		Support/Storage Fees 11/2014	862.68
49259	12/17/2014	Innovyze Inc	H2OMap Support (4000 Links)	1,000.00
	12/17/2014		H2ONet Support (4000 Links)	800.00
49260	12/17/2014	Iron Mountain Records Management	Offsite Data Storage 11/2014	247.82
49261	12/17/2014	Jason Myers	Customer Refund - Closing	41.46
49262	12/17/2014	Jo MacKenzie	ACWA Conference, JPIA Mtg & Conference	827.40
	12/17/2014		ACWA Board Mtg 11/21/2014	18.00
49263	12/17/2014	Ken Grody Ford Carlsbad	Rear Axle Ring Seal - Truck 1	10.76
49264	12/17/2014	Lighthouse Inc	Battery Disconnect Switch - B6	46.49
	12/17/2014		Lamps, Ties, Wire, Bulbs - Shop & B16	194.75
	12/17/2014		Strobe LED Lights (2) - Truck 57	80.95
	12/17/2014		Marker Lamps - Truck 70	13.90
49265	12/17/2014	Marc & Valerie Agnew	Customer Refund - Overpayment	252.36

Payment Number	Payment Date	Vendor	Description	Amount
49266	12/17/2014	Matheson Tri-Gas Inc	Arc Helmet Lens, Gas Rods	90.17
49267	12/17/2014	Matt Dixon	Refund 1" Lateral Fee	4,031.00
49268	12/17/2014	Midas	Tire & Mounting - Truck 35	120.03
	12/17/2014		Plug & Patch Tire - Truck 14	19.99
	12/17/2014		Tires & Mounting (2) - Truck 34	328.68
	12/17/2014		Tires & Mounting (2) - Truck 59	259.76
49269	12/17/2014	Moodys	Dump Fee	50.00
	12/17/2014		Dump Fee (4)	200.00
49270	12/17/2014	NAPA Auto Parts	Radiator Repair & Hose - A8	152.27
	12/17/2014		License Plate Lamp - Truck 26	17.85
	12/17/2014		Fuel Filter - T6	1.62
	12/17/2014		Brake Pads, Calipers, Rotors, Oil Seals - Truck 1	635.35
	12/17/2014		Engine Gasket - Truck 15	2.70
	12/17/2014		Oil Filters & Oil - Truck 35	45.27
	12/17/2014		Brakes & Shocks - Truck 70	201.70
	12/17/2014		Shock - Truck 70	48.16
	12/17/2014		Battery Cable & Switch - B6	20.52
	12/17/2014		Marker Lamps - T3	47.59
	12/17/2014		Hour Meter - G24	55.74
	12/17/2014		5/16 Line "T"	12.10
	12/17/2014		Exhaust Bands	28.59
	12/17/2014		5/16 Line "T"	(12.10)
49271	12/17/2014	North County Auto Parts	Protectant, Brake Fluid, Penetrate	34.08
	12/17/2014		Oil Filter - B21	6.67
	12/17/2014		Oil & Air Filters - Truck 11	40.61
	12/17/2014		Oil & Fuel Filters- Truck 1	86.01
	12/17/2014		Service Filters /Air, Oil, Fuel, Hydraulic - B6	117.85
	12/17/2014		Hydraulic Filter - B16	38.26
	12/17/2014		Service Filters / Oil & Air - B16	47.32
	12/17/2014		Lamp Socket & Wipers - Truck 14	29.14
49272	12/17/2014	Pacific Metrology	Backflow Test Kit Calibration	162.00
49273	12/17/2014	Pacific Pipeline Supply	Meter Box Lid 4.5 Cast Iron (11)	471.43
49274	12/17/2014	Pres-Tech	Repair/Calibration of USA Locating Equipment	710.92
49275	12/17/2014	Public Agency Risk Managers Association	Membership 01/01/2015 - 06/30/2015	75.00
49276	12/17/2014	Richard Larsen	Footwear Program	175.00
49277	12/17/2014	Rincon del Diablo MWD	MD Reservoir Water Service	34.62
49278	12/17/2014	Rutan & Tucker LLP	Legal 11/2014	3,576.00
	12/17/2014		Legal 11/2014	3,024.00
	12/17/2014		Legal 11/2014	48.00

Payment Number	Payment Date	Vendor	Description	Amount
	12/17/2014		Legal 11/2014	397.50
	12/17/2014		Legal 11/2014	2,173.00
	12/17/2014		Legal 11/2014	1,488.00
49279	12/17/2014	Samantha Higgins	Reimburse - Claim	93.79
49280	12/17/2014	San Diego Gas & Electric	Electric 11/2014	19,963.66
49281	12/17/2014	Sherry Thorpe	Reimbursement to Claimant	500.00
49282	12/17/2014	Shred-it San Diego	Document Destruction	75.91
49283	12/17/2014	SimplexGrinnell	Fire Sprinkler Quarterly Maintenance	1,051.29
49284	12/17/2014	Steve Frey	Tuition Reimbursement	160.00
	12/17/2014		Tuition Reimbursement	253.99
49285	12/17/2014	Tom's #24	Health Fair	323.88
49286	12/17/2014	WorkPartners Occupational Health Specialists	Physical Exam	275.00
49287	12/17/2014	TS Industrial Supply	6-Volt Battery Eveready	66.92
	12/17/2014		PVC Insulating Tape 3/4 x 60' Elect.	94.29
	12/17/2014		Socket 1.125" Deep .5" Drive	49.22
	12/17/2014		Plier 8" Lineman's Cut	75.08
49288	12/17/2014	Underground Service Alert of Southern California	USA DigAlert Tickets 11/2014 (200)	300.00
49289	12/17/2014	UniFirst Corporation	Uniform Service	368.88
49290	12/17/2014	UniMeasure, Inc	Valve Position Indicators for HP Relief	1,122.52
49291	12/17/2014	Vortex Industries Inc	Rear Access Gate Repair	141.00
49292	12/17/2014	Vulcan Materials Company and Affiliates	Cold Mix	2,068.20
49293	12/17/2014	Walters Wholesale Electric Co	Tool - Cutter	20.57
49294	12/17/2014	Weaver's Upholstery Service	Seat Repaired/Recovered - Truck 27	467.00
			Grand Total:	441,782.22



STAFF REPORT

Agenda Item: 7

Board Meeting Date:	January 7, 2015
Prepared By:	Marlene Kelleher
Reviewed By:	Eldon Boone
Approved By:	Roy Coox

SUBJECT: FISCAL YEAR 2014 AUDIT

RECOMMENDATION: Accept the Fiscal Year 2014 audit report by Rogers, Anderson, Malody and Scott LLP (Scott Manno, CPA, Partner, in attendance).

PRIOR BOARD ACTION: None.

FISCAL IMPACT: None by this action. The fees for FY 2014 audit services are \$20,275.

SUMMARY: The District's independent auditors, Rogers, Anderson, Malody and Scott LLP, are issuing an unmodified opinion on the District's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. Attached is a copy of the CAFR. The CAFR will be discussed in detail during the Board meeting.

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

DETAILED REPORT: See attached financial statements and auditor's letters.

ATTACHMENTS:

1. CAFR for the year ended June 30, 2014
2. Summary of Audit Results Letter for the year ended June 30, 2014
3. Management Letter for the year ended June 30, 2014
4. Best Practices Letter for the year ended June 30, 2014

2014

Comprehensive Annual Financial Report

FISCAL YEAR ENDED JUNE 30, 2014



Prepared By:

**The Finance Department
Marlene Kelleher, Finance Manager**

Vista Irrigation District - Vista, CA



VID VISTA IRRIGATION DISTRICT

1391 Engineer Street · Vista, California 92081

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

www.vid-h2o.org



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

Vista Irrigation District Comprehensive Annual Financial Report

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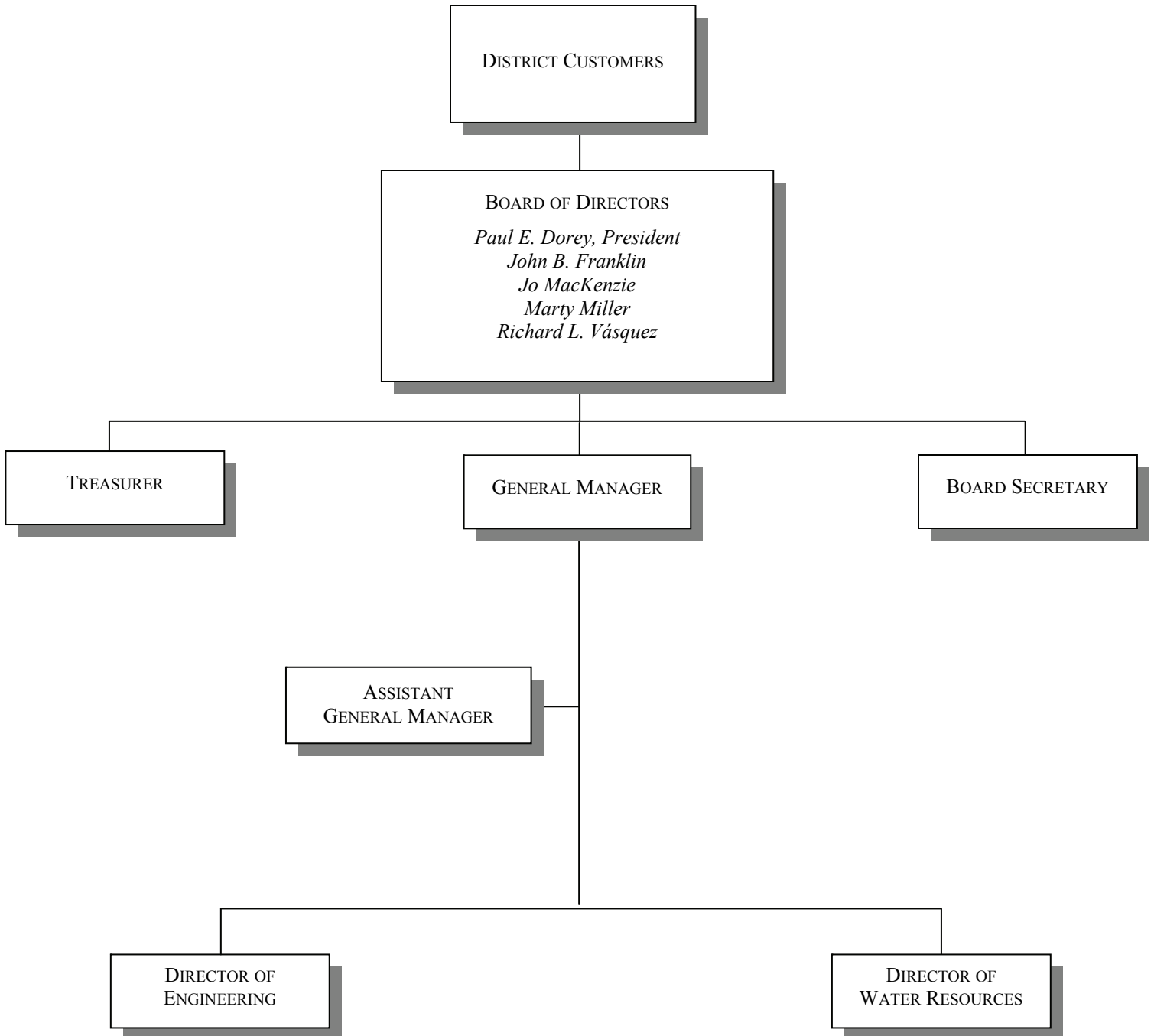
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Introductory Section



Organization Chart





1391 Engineer Street • Vista, California 92081-8840

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

www.vid-h2o.org

Board of Directors

Paul E. Dorey, *President*

John Franklin

Jo MacKenzie

Marty Miller

Richard L. Vásquez

Administrative Staff

Roy A. Coox

General Manager

Eldon L. Boone

Assistant General Manager/Treasurer

Lisa R. Soto

Board Secretary

Joel D. Kuperberg

General Counsel

December 23, 2014

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

We are pleased to present the Vista Irrigation District's (the District's) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. The purpose of the report is to provide the Board of Directors, our customers, and any other interested parties with reliable financial information about the District.

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

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

The District's financial statements have been audited by Rogers, Anderson, Malody and Scott, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2014, 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, 2014, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Profile of the District

District's Service Area

The District's service area consists of a 31-square mile area in the northwestern quadrant of San Diego County that lies west of the Interstate 15 Freeway and east of the Interstate 5 Freeway, encompassing approximately 21,200 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 in order to receive water imported from the Colorado River and Northern California.

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

Governance

The District's Board of Directors is comprised of five members elected by the citizens within their geographical area. Each Director serves a four year staggered term and must be a resident of the division he or she represents. The District operates under a Board-Manager form of government. The General Manager is appointed by the Board, and administers the daily affairs of the District and carries out policies of the Board of Directors. The District employs a staff of 84 under the direction of the Board-appointed General Manager.

Water Services

The District serves more than 28,600 customers. Typically, thirty percent of the District's water comes from its local water supply, Lake Henshaw, and seventy percent comes from two imported water sources, the Colorado River and the Sacramento River/San Joaquin River Delta in Northern California. The District currently delivers approximately 19,100 acre feet of water annually to its customers.

The water system operates over 473 miles of pipe, 12 storage reservoirs, and 7 pumping stations. The District jointly owns the Escondido-Vista water treatment plant with the City of Escondido. The Escondido-Vista water treatment plant (EVWTP) has a capacity of 66 MGD and treats all raw water before it is delivered to customers.

Local Economy

District Economic Results

The estimated population of the District is 124,746 as of fiscal year 2014. According to the San Diego Association of Governments (SANDAG), the median age of residents within the District as calculated during the most recent US Census, was 32.9 years and the median household income of residents in the City of Vista, which encompasses the majority of the District, was \$37,900. From 2004 to 2014 the population increased 3.7%, and median household income (adjusted for inflation) decreased by 3.2%.

The demand for new connections continued, with the District's total meters in service increasing in fiscal year 2014 by 64 meters to 28,272. Water sales for fiscal year 2014 were 19,128 acre feet, up 224 acre feet or 1.2% from sales of 18,904 in fiscal year 2013. Of the 19,128 acre feet, or 6.2 billion gallons sold in fiscal year 2014, 68% was distributed for residential use, 10% for industrial and commercial use, 12% for landscape irrigation use, 6% for agricultural use and 4% for governmental use.

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

Bay-Delta Fix

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

Water supplies from the Bay-Delta come to San Diego County via the State Water Project. The Metropolitan Water District of Southern California (MWD) purchases the water from the state Department of Water Resources under a water supply contract. This water has become increasingly unreliable in recent years as deteriorating ecological

conditions have led to regulatory restrictions on pumping water supplies from the Bay-Delta. How much and when the District would begin paying for a Bay-Delta fix is undetermined at this time.

MWD Lawsuit

The Authority filed a lawsuit in 2010 against MWD. The Authority alleges that the water rates set by MWD discriminate against the Authority by artificially inflating the price charged for transporting water through MWD's pipelines. If the Authority wins the case, MWD will be required to refund amounts estimated to be approximately \$189 million at the end of 2014. The Authority has indicated that it would then refund the proportionate share of the proceeds to its member agencies, including the District.

Long-Term Financial Planning

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

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

Major Initiatives

Mainline Replacement Program

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

Since its inception, the Board has allocated \$18.9 million to the program which has allowed the replacement of nearly 23 miles of older pipe ranging in size from 4 to 20

inches. The Board approved another \$1 million for this program as part of the capital improvement program for fiscal year 2015.

Accomplishments

California State Senate Certificate of Recognition

The certificate of recognition from Senator Joel Anderson recognized the District's successful restoration of the Warner-Carrillo Ranch House and making it available to the public.

Innovative Program Award

The District received the California Special Districts Association's (CSDA) 2013 Innovative Program of the Year Award for the District's Workforce Planning and Career Development Program. The evaluation criteria for this award included originality of program/project, tangible and positive results produced and a demonstrated decrease in district costs or improvement in the district's quality of service without significantly increasing costs.

California Preservation Design Award

The District received the California Preservation Foundation's (CPF) 2013 California Preservation Design Award for the restoration of the Warner-Carrillo Ranch House. The award celebrates and recognizes exemplary work in historic preservation, restoration, rehabilitation, sustainability, studies, reports and other significant categories in the preservation field.

Historic Preservation and Divine Detail Awards

The San Diego Chapter of the American Institute of Architects (AIA) awarded the District the Historic Preservation and Divine Detail Awards for the restoration of the Warner-Carrillo Ranch House. These competitive awards recognized 16 local projects for excellence in 10 categories of planning, design and execution.

Top Workplace Award

The District received the Union Tribune (U-T) San Diego Top Workplace Award. This award annually recognizes the best companies to work for in San Diego County. The District received the award for 2013 in the small business category, which consists of companies that employ fewer than 100 people.

ACWA/JPIA President's Special Recognition Award

The District received the ACWA/JPIA President's Special Recognition Award which acknowledges the District's efforts in maintaining its low loss ratio in the JPIA's Property Program for the annual policy periods of 2009 to 2012. This award was achieved by maintaining a low ratio of paid claims and case reserves (total incurred costs) to deposit premiums.

Financial Statement Awards and Acknowledgements

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Vista Irrigation District for its CAFR for the fiscal year ended June 30, 2013. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

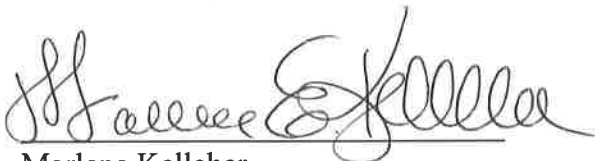
Acknowledgements

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

Respectfully submitted,



Roy A. Coox
General Manager



Marlene Kelleher
Finance Manager



Government Finance Officers Association

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

Presented to

**Vista Irrigation District
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

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Financial Section

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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San Bernardino, CA 92408
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909 889 5361 F
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Independent Auditor's Report

To the Board of Directors
Vista Irrigation District
Vista, California

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Kirk A. Franks, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Jay H. Zercher, CPA (Partner Emeritus)
Phillip H. Waller, CPA (Partner Emeritus)

MANAGERS / STAFF

Bradferd A. Welebir, CPA, MBA
Jenny Liu, CPA, MST
Seong-Hyea Lee, CPA, MBA
Charles De Simoni, CPA
Yiann Fang, CPA
Nathan Statham, CPA, MBA
Brigitta Bartha, CPA
Gardenya Duran, CPA
Juan Romero, CPA
Ivan Gonzales, CPA, MSA
Brianna Pascoe, CPA

Report on the Financial Statements

We have audited the accompanying financial statements of the Vista Irrigation District (District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
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*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants

To the Board of Directors
Vista Irrigation District

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2014, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Prior year summarized comparative information

We have previously audited the District's 2013 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated December 4, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

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

Other Information

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

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

To the Board of Directors
Vista Irrigation District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Rogers Anderson Malooly & Scott, LLP". The signature is written in a cursive style with a large, sweeping initial 'R'.

San Bernardino, CA
December 23, 2014

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**VISTA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

Our discussion and analysis of the Vista Irrigation District's financial performance provides an overview of the District's financial activities for the year ended June 30, 2014. Please read it in conjunction with the District's financial statements which begin on page 8. This annual financial report consists of two parts -- Management's Discussion and Analysis (this section) and the Financial Statements.

Financial Statements

The District's financial statements include four components:

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

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

- Net investment in capital assets
- Unrestricted

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

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

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

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

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

See independent auditors' report.

**VISTA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

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 6.4%, while operating expenses increased 6.5%.
- The District realized a \$5.5 million operating gain during the current fiscal year from an increase in water revenues, resulting from the tiered-rate structure, as well as an increase in construction development activity.
- Contributed capital decreased \$1.2 million due to the completion of two capital contribution jobs in the current year, as compared to nine in the prior year.

Financial Analysis of the District

Net Position - The District's overall net position increased \$5.9 million between fiscal years 2013 and 2014, from \$107.1 to \$113.0 million. The net investment in capital assets decreased \$1.3 million which reflects the excess of current year depreciation and dispositions over the net capital additions. During the current year, the District's long-term prepaid expenses increased \$2.1 million primarily due to a prepayment to fully fund its OPEB liability. The unrestricted net position increased \$7.2 million primarily due to operating income exceeding operating expenses.

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

	<u>2014</u>	<u>2013</u>
Current assets	\$ 40.7	\$ 34.8
Capital assets	81.8	83.1
Long-term prepaid expenses	<u>2.1</u>	<u>-</u>
Total Assets	124.6	117.9
Liabilities	<u>11.6</u>	<u>10.8</u>
Net Position:		
Net investment in capital assets	81.8	83.1
Unrestricted	<u>31.2</u>	<u>24.0</u>
Total Net Position	\$ <u><u>113.0</u></u>	\$ <u><u>107.1</u></u>

See independent auditors' report.

**VISTA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

Change in Net Position - The District's operating revenues increased by 6.4% to \$48.7 million. In fiscal year 2014, 96.3% of the District's operating revenues came from water sales. The increase in operating revenues resulted primarily due to increased water rates.

The District's operating expenses increased 6.5% to \$43.2 million primarily due to an increase of \$1.9 million in purchased water, as well a \$0.5 million write-off of design costs for a flume replacement project that was determined to be less cost effective than to rehabilitate the flume.

The District's contributed capital decreased from \$1.2 million to \$67.3 thousand primarily due to less capital contribution jobs completed in the current year.

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

	<u>2014</u>	<u>2013</u>
Operating Revenues		
Water sales	\$ 46.9	\$ 44.7
Property rentals	0.7	0.7
System fees	0.7	0.2
Other services	0.4	0.2
Total Operating Revenues	<u>48.7</u>	<u>45.8</u>
Operating Expenses	<u>43.2</u>	<u>40.6</u>
Operating Income	<u>5.5</u>	<u>5.2</u>
Nonoperating Revenues (Expenses)		
Property taxes	0.4	0.4
Legal settlement	(0.1)	(0.1)
Investment income	0.1	0.1
Total Nonoperating Revenues	<u>0.4</u>	<u>0.4</u>
Contributed Capital	<u>-</u>	<u>1.2</u>
Increase in Net Position	<u>\$ 5.9</u>	<u>\$ 6.8</u>

See independent auditors' report.

**VISTA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

Capital Assets

At June 30, 2014, the District had invested \$160.9 million in capital assets with \$79.2 million in accumulated depreciation. Net capital assets decreased \$1.3 million as a result of annual depreciation and dispositions exceeding the capital acquisitions. During the year the District added \$1.9 million of capital assets. The largest capital additions were \$1.5 million in costs for several mainline replacement projects, \$0.2 million for SCADA upgrades and expansion, \$0.1 million for pump station upgrades, and \$0.1 million for pipeline extensions. This year's capital reductions included a \$0.5 million write-off of construction-in-progress design costs for a flume replacement project and replacement/disposals of pipelines, pumping equipment, and SCADA valves with a total historical cost for all these items of \$76.6 thousand. Depreciation for the year was \$3.2 million.

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

	<u>2014</u>	<u>2013</u>
Land, franchises and water rights	\$ 6.0	\$ 6.0
Buildings, canals, pipelines, reservoirs and dams	73.9	75.0
Equipment	1.0	0.8
Henshaw pumping project	0.4	0.3
Construction in progress	<u>0.5</u>	<u>1.0</u>
Total Capital Assets, Net	<u>\$ 81.8</u>	<u>\$ 83.1</u>

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

Capital Debt

At June 30, 2014, the District had no capital 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.

See independent auditors' report.

**VISTA IRRIGATION DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

ASSETS

	<u>2014</u>	<u>2013</u>
<u>Current Assets:</u>		
Cash and cash equivalents (notes 1 and 2)	\$ 18,836,902	\$ 13,464,086
Investments (notes 1 and 2)	12,995,802	12,993,484
Accounts receivable, net (notes 1 and 3)	8,135,457	7,835,894
Taxes receivable	28,332	27,005
Accrued interest receivable	5,384	4,677
Inventories of materials and supplies	384,909	352,470
Prepaid expenses and other current assets (note 9)	<u>141,230</u>	<u>188,642</u>
Total Current Assets	<u>40,528,016</u>	<u>34,866,258</u>
<u>Noncurrent Assets:</u>		
Capital assets: (notes 1 and 4)		
Depreciable assets, net of accumulated depreciation:		
Buildings, canals, pipelines, reservoirs and dams	73,941,664	74,987,426
Equipment	1,046,119	846,102
Henshaw pumping project	353,829	322,949
Nondepreciable assets:		
Land, franchises and water rights	5,960,313	5,960,313
Construction in progress	<u>456,338</u>	<u>965,229</u>
Total capital assets	<u>81,758,263</u>	<u>83,082,019</u>
Long-term prepaid expenses (note 9)	<u>2,265,950</u>	-
Total Noncurrent Assets	<u>84,024,213</u>	<u>83,082,019</u>
TOTAL ASSETS	<u>\$ 124,552,229</u>	<u>\$ 117,948,277</u>

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

(Continued)

**VISTA IRRIGATION DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

LIABILITIES AND NET POSITION

	<u>2014</u>	<u>2013</u>
<u>Current Liabilities:</u>		
Accounts payable (note 5)	\$ 5,161,654	\$ 4,674,112
Deposits	491,890	142,456
Accrued expenses and other liabilities	<u>1,698,990</u>	<u>1,938,315</u>
Total Current Liabilities	<u>7,352,534</u>	<u>6,754,883</u>
<u>Noncurrent Liabilities:</u>		
Claims payable (note 6)	<u>4,190,193</u>	<u>4,095,461</u>
Total Liabilities	<u>11,542,727</u>	<u>10,850,344</u>
<u>Net Position:</u>		
Net investment in capital assets	81,758,263	83,082,019
Unrestricted (note 7)	<u>31,251,239</u>	<u>24,015,914</u>
Total Net Position	<u>113,009,502</u>	<u>107,097,933</u>
TOTAL LIABILITIES AND NET POSITION	\$ <u>124,552,229</u>	\$ <u>117,948,277</u>

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

VISTA IRRIGATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013

	<u>2014</u>	<u>2013</u>
<u>Operating Revenues:</u>		
Water sales	\$ 46,858,642	\$ 44,675,640
Property rentals	705,845	666,495
System fees	667,311	228,954
Other services	454,842	206,602
Total Operating Revenues	<u>48,686,640</u>	<u>45,777,691</u>
<u>Operating Expenses:</u>		
Purchased water	21,351,934	19,438,447
Wages and benefits	12,026,730	11,902,693
Contractual services	3,932,249	3,551,800
Depreciation	3,222,382	3,122,974
Supplies	1,369,388	969,997
Professional fees	634,801	799,509
Power	603,100	735,024
Insurance	476,242	407,580
Office and general	445,363	477,700
Uncollectible accounts	60,389	54,046
Communications	57,814	61,278
Burden allocation	(947,821)	(934,908)
Total Operating Expenses	<u>43,232,571</u>	<u>40,586,140</u>
Operating Income	<u>5,454,069</u>	<u>5,191,551</u>
<u>Nonoperating Revenues (Expenses):</u>		
Property taxes	443,255	387,889
Investment income	45,451	53,471
Federal and state assistance	-	64,015
Gain (Loss) on disposal of capital assets	(3,819)	9,414
Legal settlement	(94,732)	(57,090)
Total Nonoperating Revenues	<u>390,155</u>	<u>457,699</u>
Income Before Contributed Capital	5,844,224	5,649,250
Contributed Capital	67,345	1,176,656
Change in Net Position	5,911,569	6,825,906
Total Net Position - Beginning	<u>107,097,933</u>	<u>100,272,027</u>
TOTAL NET POSITION - ENDING	\$ <u>113,009,502</u>	\$ <u>107,097,933</u>

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

**VISTA IRRIGATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

	<u>2014</u>	<u>2013</u>
<u>Cash Flows From Operating Activities:</u>		
Receipts from customers	\$ 48,387,077	\$ 44,545,047
Payments to suppliers	(37,412,340)	(33,862,027)
Payments to employees	(4,108,627)	(4,103,281)
Collection of deposits	936,178	259,824
Return of deposits	<u>(586,744)</u>	<u>(400,342)</u>
Net Cash Provided by Operating Activities	<u>7,215,544</u>	<u>6,439,221</u>
<u>Cash Flows From Noncapital Financing Activities:</u>		
Receipts from property taxes	<u>441,928</u>	<u>387,889</u>
<u>Cash Flows From Capital and Related Financing Activities:</u>		
Proceeds from disposal of capital assets	6,785	9,604
Acquisition of capital assets	(2,349,686)	(2,639,356)
Receipts from developers for capital purposes	15,819	28,000
Proceeds from Federal and State assistance	<u>-</u>	<u>64,015</u>
Net Cash Used by Capital and Related Financing Activities	<u>(2,327,082)</u>	<u>(2,537,737)</u>
<u>Cash Flows From Investing Activities:</u>		
Proceeds from maturities of investments	13,000,000	13,000,000
Interest on cash and investments	26,299	26,973
Purchase of investments	<u>(12,983,873)</u>	<u>(12,979,374)</u>
Net Cash Provided by Investing Activities	<u>42,426</u>	<u>47,599</u>
Net Increase in Cash and Cash Equivalents	5,372,816	4,336,972
Cash and Cash Equivalents - Beginning	<u>13,464,086</u>	<u>9,127,114</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 18,836,902</u>	<u>\$ 13,464,086</u>

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

(Continued)

**VISTA IRRIGATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

	<u>2014</u>	<u>2013</u>
<u>Reconciliation of Operating Income to Net</u>		
<u>Cash Provided by Operating Activities:</u>		
Operating Income	\$ 5,454,069	\$ 5,191,551
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,222,382	3,122,974
Prior year construction in progress expensed	491,982	-
Change in Assets and Liabilities:		
Accounts receivable, net	(299,563)	(1,394,709)
Inventories of materials and supplies	(32,439)	4,298
Prepaid expenses and other assets	(2,218,538)	72,836
Accounts payable	487,542	549,410
Deposits	349,434	(140,518)
Accrued expenses and other liabilities	<u>(239,325)</u>	<u>(966,621)</u>
Net Cash Provided by Operating Activities	<u>\$ 7,215,544</u>	<u>\$ 6,439,221</u>
<u>Noncash Investing, Capital and Financing Activities:</u>		
Contributed capital assets	\$ 67,345	\$ 1,176,656
Capital asset acquisitions included in accounts payable and accrued expenses	\$ 16,475	\$ 86,683
Increase in fair value of investments	\$ 18,445	\$ 25,068

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

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 21,180 acres. Historically, the District has received 30% of its water supply from Lake Henshaw which, along with the surrounding 43,000 acre Warner Ranch, is owned and operated by the District. The remaining 70% of the District's supply comes from Northern California through the State Water Project and from the Colorado River. These sources are conveyed to the District via aqueducts owned and operated by water wholesalers, the Metropolitan Water District of Southern California and the San Diego County Water Authority. The District is governed by a Board of Directors consisting of five directors elected by geographical divisions, based on District population, for four-year alternating terms.

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

Basis of Accounting

The accounting principles of the District conform to accounting principles generally accepted in the United States of America applicable to enterprise funds. Accordingly, the statements of net position and the statements of revenues, expenses and changes in net position have been prepared using the economic resources measurement focus and the accrual basis of accounting.

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.

Implementation of New Pronouncement

Effective July 1, 2013, the District adopted the provisions of GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. GASB 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

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

Revenue Recognition

The District recognizes revenues from water sales, property rentals, investments and other fees and services as they are earned. Taxes and assessments are recognized as revenue, based upon amounts reported to the District by the County of San Diego. The District first utilizes restricted resources to finance qualifying activities, then unrestricted resources as they are needed. 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.

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.

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.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

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

Capital Assets and Depreciation

The District records at cost the acquisition of capital assets greater than \$5,000 and with a useful life of 3 or more years. Contributed assets are recorded at their fair market 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 - 60 years
Equipment	3 - 20 years
Henshaw pumping project	10 - 20 years

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 \$100,000,000 per occurrence (total insurable value \$28,176,569) with \$5,000 deductible for buildings, personal property, fixed equipment, mobile equipment, and licensed vehicles; the Authority is self-insured up to \$100,000 per occurrence and excess insurance coverage has been purchased.

General Liability - Insured up to \$60,000,000 per occurrence with no deductible; the Authority is self-insured up to \$2,000,000 and excess insurance coverage has been purchased.

Auto Liability - Insured up to \$60,000,000 per occurrence with no deductible for property damage; the Authority is self-insured up to \$2,000,000 and excess insurance coverage has been purchased.

Public Officials' Liability - Insured up to \$60,000,000 per occurrence; the Authority is self-insured up to \$2,000,000 and excess insurance coverage has been purchased.

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

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

Risk Management (Continued)

Dam Failure Liability - Insured up to \$5,000,000 per occurrence with \$250,000 deductible; the Authority is self-insured up to \$250,000 and excess insurance coverage has been purchased.

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

Vacation and Sick Leave

The District records a liability equal to 100% of vacation earned and the applicable percentage of sick leave available to employees at year end (25%-100%), which is included in accrued expenses and other liabilities.

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.

Comparative Data

Comparative total data for the prior year have been presented in order to provide an understanding of the changes in the financial position and operations of the District. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

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
JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

Note 2 - Cash and Investments:

The following is a detail of cash and cash equivalents as of June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Cash on hand	\$ 7,615	\$ 5,039
Deposits	463,333	619,392
State Treasurer's investment pool	12,212,937	8,491,805
California Asset Management Program	6,153,017	4,347,850
Total cash and cash equivalents	<u>\$ 18,836,902</u>	<u>\$ 13,464,086</u>

As of June 30, 2014 and 2013, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>2014</u> <u>Fair Value</u>	<u>2013</u> <u>Fair Value</u>
State Treasurer's investment pool	8 months weighted average	\$ 12,212,937	\$ 8,491,805
California Asset Management Program	2 months weighted average	6,153,017	4,347,850
Total cash equivalents		<u>\$ 18,365,954</u>	<u>\$ 12,839,655</u>
U.S. Treasury bills	6 months weighted average	\$ 12,995,802	\$ 12,993,484
Total Investments		<u>\$ 12,995,802</u>	<u>\$ 12,993,484</u>

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

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

Note 2 - Cash and Investments: (Continued)

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

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

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

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. All deposits are entirely insured or collateralized. State law requires banks to secure the District's deposits by pledging government securities valued at 110% of the amount of the deposit as collateral. The District may waive the collateral requirement for deposits that are fully insured by the Federal Deposit Insurance Corporation (FDIC). Beginning on January 1, 2013, combined deposits are insured by the FDIC up to \$250,000. As of June 30, 2013, the District's bank balances were \$567,767, of which \$250,000 were insured and the remaining \$317,737 were uninsured and collateralized with securities held by the pledging institution's trust department. As of June 30, 2014, the District's bank balances were \$375,057, of which \$250,000 were insured and the remaining \$125,057 were uninsured and collateralized.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

Note 3 - Accounts Receivable, Net:

As of June 30, 2014 and 2013, the net balances were comprised of accounts receivable balances of \$8,670,818 and \$8,318,186, respectively, less the allowances for doubtful accounts of \$535,361 and \$482,292, respectively.

Note 4 - Capital Assets:

Capital assets consist of the following at June 30, 2014:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land, franchises, and water rights	\$ 5,960,313	\$ -	\$ -	\$ 5,960,313
Construction in progress	965,229	1,620,505	(2,129,396)	456,338
Total capital assets not being depreciated	<u>6,925,542</u>	<u>1,620,505</u>	<u>(2,129,396)</u>	<u>6,416,651</u>
Capital assets being depreciated:				
Buildings, canals, pipelines, reservoirs and dams	144,442,839	1,942,769	(65,168)	146,320,440
Equipment	4,824,921	415,435	(11,474)	5,228,882
Henshaw pumping project	2,917,377	59,919	-	2,977,296
Total capital assets being depreciated	<u>152,185,137</u>	<u>2,418,123</u>	<u>(76,642)</u>	<u>154,526,618</u>
Less accumulated depreciation for:				
Buildings, canals, pipelines, reservoirs and dams	(69,455,413)	(2,977,926)	54,563	(72,378,776)
Equipment	(3,978,819)	(215,417)	11,473	(4,182,763)
Henshaw pumping project	(2,594,428)	(29,039)	-	(2,623,467)
Total accumulated depreciation	<u>(76,028,660)</u>	<u>(3,222,382)</u>	<u>66,036</u>	<u>(79,185,006)</u>
Total capital assets being depreciated, net	<u>76,156,477</u>	<u>(804,259)</u>	<u>(10,606)</u>	<u>75,341,612</u>
Total capital assets, net	<u>\$ 83,082,019</u>	<u>\$ 816,246</u>	<u>\$ (2,140,002)</u>	<u>\$ 81,758,263</u>

During the year ended June 30, 2014, \$491,982 previously held in construction-in-progress for the design phase of a flume replacement project was expensed to contractual services. A cost analysis study determined that it was more cost effective to rehabilitate the flume, rather than to replace it.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

Note 4 - Capital Assets: (Continued)

Capital assets consisted of the following at June 30, 2013:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land, franchises, and water rights	\$ 5,960,313	\$ -	\$ -	\$ 5,960,313
Construction in progress	<u>1,349,392</u>	<u>2,211,076</u>	<u>(2,595,239)</u>	<u>965,229</u>
Total capital assets not being depreciated	<u>7,309,705</u>	<u>2,211,076</u>	<u>(2,595,239)</u>	<u>6,925,542</u>
Capital assets being depreciated:				
Buildings, canals, pipelines, reservoirs and dams	140,806,546	3,670,109	(33,816)	144,442,839
Equipment	4,480,302	559,751	(215,132)	4,824,921
Henshaw pumping project	<u>2,917,377</u>	<u>-</u>	<u>-</u>	<u>2,917,377</u>
Total capital assets being depreciated	<u>148,204,225</u>	<u>4,229,860</u>	<u>(248,948)</u>	<u>152,185,137</u>
Less accumulated depreciation for:				
Buildings, canals, pipelines, reservoirs and dams	(66,575,329)	(2,913,709)	33,625	(69,455,413)
Equipment	(4,023,254)	(170,697)	215,132	(3,978,819)
Henshaw pumping project	<u>(2,555,860)</u>	<u>(38,568)</u>	<u>-</u>	<u>(2,594,428)</u>
Total accumulated depreciation	<u>(73,154,443)</u>	<u>(3,122,974)</u>	<u>248,757</u>	<u>(76,028,660)</u>
Total capital assets being depreciated, net	<u>75,049,782</u>	<u>1,106,886</u>	<u>(191)</u>	<u>76,156,477</u>
Total capital assets, net	<u>\$ 82,359,487</u>	<u>\$ 3,317,962</u>	<u>\$ (2,595,430)</u>	<u>\$ 83,082,019</u>

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

Note 5 - Accounts Payable:

At June 30, 2014, the accounts payable of \$5,161,654 included \$3,992,490 for water purchases from the San Diego County Water Authority and \$1,169,164 for obligations to other vendors. The accounts payable of \$4,674,112 at June 30, 2013 included \$3,523,250 for water purchases from the San Diego County Water Authority and \$1,150,862 for obligations to other vendors.

Note 6 - Noncurrent Liabilities:

Changes in the claims payable amounts in fiscal years ended June 30, 2013 and 2014 were as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Consumer Price Index Adjustment</u>	<u>Ending Balance</u>
2013	\$ 4,038,371	\$ 57,090	\$ 4,095,461
2014	\$ 4,095,461	\$ 94,732	\$ 4,190,193

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

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

Note 7 - Unrestricted Net Position:

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

	<u>2014</u>	<u>2013</u>
Emergency and contingency	\$ 8,000,000	\$ 8,000,000
Future construction	14,204,249	7,007,114
Working capital	9,000,000	9,000,000
Ranch improvements	46,990	8,800
Total unrestricted net position	<u>\$ 31,251,239</u>	<u>\$ 24,015,914</u>

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

Note 8 - Defined Benefit Pension Plan:

Plan Description

The District's contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement, disability benefits and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. PERS issues a publicly available financial report that includes financial statements and required supplementary information for the cost sharing plans that are administered by PERS. Copies of the PERS' annual financial report may be obtained by writing to 400 "P" Street, Sacramento, California 95814.

Contributions and Funding Policy

Based on the date of hire, active plan members in the Plan are required to contribute either 4.5%, 7.0% or 6.25% of their annual covered salary.

Also based on the active plan members date of hire, the District is required to contribute at an actuarially determined rate. The rates for the year ended June 30, 2014 were 20.273%, 8.049% or 6.25% of annual covered payroll.

The District's contributions to the Plan for the years ending June 30, 2012, 2013 and 2014 were \$10,135,592 (which included a \$8,232,120 side fund prepayment), \$1,450,517 and \$1,459,677, respectively, and were equal to the required contributions for each year.

Note 9 - Other Postemployment Benefits:

Plan Description

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

Note 9 - Other Postemployment Benefits: (Continued)

Plan Description (Continued)

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

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

The District fully funds its OPEB liability through the CERBT. For the years ended June 30, 2014 and 2013, the District was fully funded in a prepaid status (in relation to the Annual Required Contribution), and was not required to make any contributions to the CERBT.

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

Note 9 - Other Postemployment Benefits: (Continued)

Funding Policy and Annual OPEB Cost

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

	Retiree Healthcare Plan <u>2014</u>	Retiree Healthcare Plan <u>2013</u>
Contribution rate:	Actuarially determined	Actuarially determined
District	4.3%	4.4%
Annual required contribution	\$ 307,072	\$ 350,168
Adjustment to annual required contribution	4,080	2,689
Interest on net OPEB asset	<u>(5,070)</u>	<u>(3,341)</u>
Annual OPEB cost (expense)	306,082	349,516
Contributions made	<u>(2,505,415)</u>	<u>(372,236)</u>
Increase (decrease) in net OPEB obligation/(asset)	(2,199,333)	(22,720)
Net OPEB obligation (asset) - beginning of year	<u>(66,617)</u>	<u>(43,897)</u>
Net OPEB obligation (asset) - end of year	<u><u>\$ (2,265,950)</u></u>	<u><u>\$ (66,617)</u></u>

In June 2014, the District opted to make a lump sum payment of \$2,119,265 in order to pay off the unfunded portion of the District's OPEB liability.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

Note 9 - Other Postemployment Benefits: (Continued)

Funding Policy and Annual OPEB Cost (Continued)

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

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

	<u>Year End</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percent of OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
Retiree Healthcare Plan	June 30, 2012	\$332,565	\$307,783	92.5%	(\$43,897)
Retiree Healthcare Plan	June 30, 2013	\$349,516	\$372,236	106.5%	(\$66,617)
Retiree Healthcare Plan	June 30, 2014	\$306,082	\$2,505,415	818.5%	(\$2,265,950)

Funded Status and Funding Progress

The funded status of the plan was as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Plan Assets (A)</u>	<u>Actuarial Accrued Liability (B)</u>	<u>Unfunded Liability (A-B)</u>	<u>Funded Ratio (A/B)</u>	<u>Annual Covered Payroll (C)</u>	<u>Unfunded Liability as a % of Annual Covered Payroll [(A-B)/C]</u>
July 1, 2011	\$1,109,493	\$3,779,819	(\$2,670,326)	29.4%	\$7,523,865	(35.5%)
July 1, 2012	\$1,370,387	\$4,162,912	(\$2,792,525)	32.9%	\$7,416,382	(37.7%)
July 1, 2013	\$1,238,734	\$3,574,767	(\$2,336,033)	34.7%	\$7,494,718	(31.2%)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Due to the \$2,119,265 prepayment at the end of the current year, the District is fully funded as of June 30, 2014.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

Note 9 - Other Postemployment Benefits: (Continued)

Actuarial Methods and Assumptions

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

Actuarial valuation date	June 30, 2013
Actuarial cost method	Projected Unit Credit
Amortization method	Level percentage of pay
Remaining amortization period	24 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	7.61%
Projected salary increases	3.00%

The actuarial cost method used for determining the benefit obligations is the Projected Unit Credit with service prorated. The actuarial assumptions included a 7.61% investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 6.5% HMO and 7.0% PPO for 2015, each declining by 0.5% per year through 2018, and 0.5% per year for both HMO and PPO for all years after 2018. Both rates included a 2.8% inflation assumption. The UAAL is being amortized over an initial 30 years using the level-percentage of pay method on a closed-basis. The remaining amortization period at June 30, 2013 is assumed to be 24 years. It is assumed the District's payroll will increase 3.00% per year.

Note 10 - Commitments and Contingencies:

Commitments

Under terms of a 1922 contractual agreement with the United States Department of the Interior, the District and the City of Escondido are obligated to provide the first 6 cubic feet per second of the natural flow of the San Luis Rey River to the Rincon Indians. The agreement is one of those claimed to be void ab initio by the United States and the Rincon Indians in the litigation discussed below.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

Note 10 - Commitments and Contingencies: (Continued)

Commitments (Continued)

In July 2007, the District announced entry into a “settlement agreement in principle” with the City of Escondido (Escondido) and the Indian bands. Per the terms of the “settlement agreement in principle”, the Rincon Band would continue to receive its historic entitlement of water, but now quantified as a right to 2,900 acre-feet per year, on average, adjusted by annual hydrologic conditions. Following are the provisions of the “settlement agreement in principle”:

1. Allocation of Local Water and Supplemental Water

- a) The Rincon Band shall receive its historic right to the first 6 cubic feet per second of the natural flow of the San Luis Rey River (local water). The District and Escondido shall have the right to use the remaining local water, subject to the right of the Bands to divert and use local water through an acre foot for acre foot exchange with supplemental water.
- b) The Indian Water Authority (an intertribal entity established by the Bands) shall be entitled to the benefit of the 16,000 acre feet of supplemental water provided by the Settlement Act. The Indian Water Authority may exchange supplemental water for local water.

2. Financial Obligations

- a) The Indian Water Authority is responsible for all costs associated with obtaining supplemental water. The District and Escondido are responsible for all costs associated with maintaining and operating the local water system, including the cost of a proposed canal undergrounding on the San Pasqual Indian Reservation (currently estimated to cost \$27 million). The cost of the proposed undergrounding project will be divided evenly between the District and Escondido.
- b) In return for the Bands’ and the United States’ agreement that the Settlement shall be an entire agreement, and no obligations among the parties from the 1894, 1914, and 1922 contracts shall endure, there shall be no annual charges paid by the District or Escondido for the use of tribal lands, and all liability among the parties shall be waived prior to the effective date of the Settlement Agreement. The District and Escondido agree to each pay the Indian Water Authority \$3.85 million on October 1, 2008. This amount can be paid either as a lump sum, or paid over the next 20 years at 5% interest, or paid over 20 years, delayed for 5 years, at 6% interest. Any payment may be prepaid without a prepayment penalty.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

Note 10 - Commitments and Contingencies: (Continued)

Commitments (Continued)

- c) The Rincon Band's entitlement to 2,900 acre-feet per year of local water is estimated to cost the District approximately \$230,000 annually, based on the current cost of imported water and the assumption that the new formulation of the Rincon entitlement will result in the District purchasing additional imported water.

On September 30, 2008, the negotiators for the District, the Bands and Escondido announced a Settlement Agreement regarding the water rights issues. The provisions of the Settlement Agreement are essentially the same as those of the "settlement agreement in principle" announced in July, 2007 as mentioned above.

However, in order for the Agreement to take effect, the following conditions are necessary: (i) the Agreement must be executed by all of the parties; (ii) the Agreement must be approved by the United States District Court for the Southern District of California after the Court has ascertained in open court and on the record that all parties understand and agree with the terms of the Agreement and represent that: (a) the Settlement was entered into in good faith, and this Agreement provides fair and reasonable terms for the use of Local and Supplemental Water by the Parties and for financial and other consideration among the Parties, and (b) that all Parties understand and agree with the terms of this Agreement and represent that they have received adequate legal representation in reaching that conclusion; (iii) a stipulated judgment of dismissal or other appropriate final disposition has been entered in the litigation involving the City of Escondido and Vista Irrigation District (Local Entities), the United States, and the Bands in all of the proceedings among the parties pending in United States District Court for the Southern District of California and the Federal Energy Regulatory Commission (FERC); (iv) FERC has issued the Conduit Exemption License and has approved the Surrender Application; (v) the Secretary of the Interior has issued all necessary rights-of-way for the Local Water System in accordance with section 109(b) of the Settlement Act; and (vi) all applicable appeal periods have expired. The date when all these conditions have been satisfied shall be the effective date of the Agreement.

The District's legal counsel and management are unable to opine upon the length of time it will take to resolve the matter and obtain all required approvals for a final settlement agreement.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND COMPARATIVE DATA FOR JUNE 30, 2013**

Note 10 - Commitments and Contingencies: (Continued)

Litigation

Several bands of Indians have claimed the rights to certain water now utilized by the District, substantial actual and punitive damages, and the invalidation of certain contracts. Actions on those claims naming the District as a defendant have been filed in the United States District Court by the bands and by the United States, in its own right and on behalf of the bands. Legislation authorizing the settlement of the Indian water rights dispute was enacted on November 17, 1988, as the "San Luis Rey Indian Water Rights Settlement Act". This legislation authorizes the parties to the dispute to enter into a settlement agreement and establishes a trust fund in the amount of \$30,000,000. Implementation of this legislation is pending development of a 16,000 acre foot per year supplemental water supply and negotiation of the precise terms of the settlement agreement. In October 2000, the source of the 16,000 acre foot supplemental water supply was identified as a portion of the water conserved from the lining of the All-American Canal and the Coachella Branch of the All-American Canal. Commencing in about January 2007, the settlement parties began obtaining 4,500 acre feet of water annually from the completed Coachella Branch Canal Lining Project. Construction of the lining of the All-American Canal (which produces the remaining 11,500 acre feet) was completed in 2010.

The District's legal counsel and management are unable to opine upon the ultimate outcome of the above matters. The Settlement Agreement summarizes some of the major proposed terms of agreement among the parties.

Discussions have continued on a long-standing dispute between the District and the City of Escondido (successor to Escondido Mutual Water Company) over the calculations and allocations between the two entities of natural flow of the San Luis Rey River. Management's opinion is that this matter will be resolved concurrently with the dispute with the Indian bands by adhering to the settlement rubric outlined in the July 2007 "settlement agreement in principle."

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.



Statistical Section

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STATISTICAL SECTION

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

CONTENTS	PAGE
Financial Trends	31
<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	33
<i>These schedules contain information to help the reader access the District’s most significant local revenue source.</i>	
Demographic and Economic Information	37
<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	39
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the District’s financial report relates to the services the District provides and the activities it performs.</i>	

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

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Table I
NET POSITION BY COMPONENT
Last Ten Fiscal Years

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net Position					
Net investment in capital assets	\$ 81,758,263	\$ 83,082,019	\$ 82,359,487	\$ 82,216,322	\$ 80,952,196
Restricted	-	-	-	-	-
Unrestricted	31,251,239	24,015,914	17,912,540	13,013,133	15,834,495
Total Net Position	<u>\$ 113,009,502</u>	<u>\$ 107,097,933</u>	<u>\$ 100,272,027</u>	<u>\$ 95,229,455</u>	<u>\$ 96,786,691</u>
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Net Position					
Net investment in capital assets	\$ 78,971,219	\$ 78,227,737	\$ 74,880,933	\$ 73,838,726	\$ 69,423,661
Restricted	-	-	-	-	1,921,624
Unrestricted	15,163,715	15,374,171	22,659,076	21,168,181	18,793,870
Total Net Position	<u>\$ 94,134,934</u>	<u>\$ 93,601,908</u>	<u>\$ 97,540,009</u>	<u>\$ 95,006,907</u>	<u>\$ 90,139,155</u>

Source: Vista Irrigation District

Table II
CHANGES IN NET POSITION
Last Ten Fiscal Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Operating Revenues:										
Water sales	\$ 46,858,642	\$ 44,675,640	\$ 38,929,306	\$ 36,935,147	\$ 35,112,935	\$ 30,785,729	\$ 30,158,938	\$ 29,112,733	\$ 26,954,977	\$ 24,236,602
Property rentals	705,845	666,495	475,148	740,341	546,448	556,131	505,513	342,836	295,488	221,881
Other services	454,842	206,602	285,692	282,608	342,551	244,894	522,448	598,243	434,292	534,317
System fees	667,311	228,954	297,553	332,643	94,243	130,683	354,184	879,943	363,461	380,815
Total operating revenues	48,686,640	45,777,691	39,987,699	38,290,739	36,096,177	31,717,437	31,541,083	30,933,755	28,048,218	25,373,615
Operating Expenses:										
Purchased water	21,351,934	19,438,447	14,767,680	11,705,489	13,956,299	11,978,556	13,814,124	12,426,903	8,926,946	11,471,173
Wages and benefits	12,026,730	11,902,693	12,223,638	13,207,539	12,540,325	12,374,900	12,151,999	11,180,783	10,261,865	9,348,123
Depreciation	3,222,382	3,122,974	3,022,459	2,967,954	2,893,214	2,839,422	2,731,596	2,577,112	2,482,366	2,524,458
Contractual services	3,932,249	3,551,800	3,554,268	3,228,825	2,592,296	2,721,679	2,650,631	2,870,002	2,089,996	1,944,759
Supplies	1,369,388	969,997	1,078,481	1,025,154	956,271	1,107,503	1,226,572	1,115,256	1,017,952	926,064
Professional fees	634,801	799,509	831,775	730,715	822,454	709,350	911,761	435,822	558,141	734,674
Power	603,100	735,024	434,811	536,753	575,442	732,570	737,235	302,994	248,893	300,622
Office and general	445,363	477,700	422,474	419,434	515,170	549,509	659,782	574,360	574,271	753,062
Insurance	476,242	407,580	363,291	332,528	291,909	257,289	266,362	279,861	251,685	192,557
Uncollectible accounts	60,389	54,046	72,180	80,472	125,418	125,851	83,509	59,483	14,203	52,269
Communications	57,814	61,278	72,668	83,428	68,200	64,225	68,093	65,675	87,624	67,323
Burden allocation	(947,821)	(934,908)	(1,074,815)	(932,041)	(1,277,798)	(1,045,086)	(938,878)	(879,541)	(1,042,436)	(701,870)
Total operating expenses	43,232,571	40,586,140	35,768,910	33,386,250	34,059,200	32,415,768	34,362,786	31,008,710	25,471,506	27,613,214
Operating Income (Loss)	5,454,069	5,191,551	4,218,789	4,904,489	2,036,977	(698,331)	(2,821,703)	(74,955)	2,576,712	(2,239,599)
Nonoperating Revenues (Expenses):										
Property taxes	443,255	387,889	313,008	305,985	367,482	340,351	348,561	327,361	103,326	141,919
Investment income	45,451	53,471	47,225	79,800	76,377	359,773	886,671	1,192,890	838,893	516,129
Gain (Loss) on disposal of capital assets	(3,819)	9,414	(6,235)	(22,426)	(53,133)	7,339	-	-	1,311	5,000
Interest Expense	-	-	-	-	(192,500)	(144,375)	-	-	-	-
Federal and state assistance	-	64,015	-	578	-	-	-	17,081	231,772	-
Legal settlement	(94,732)	(57,090)	(83,096)	231,600	-	-	(3,850,000)	-	-	-
Total Nonoperating Revenues (Expenses)	390,155	457,699	270,902	595,537	198,226	563,088	(2,614,768)	1,537,332	1,175,302	663,048
Income (Loss) Before Contributed Capital	5,844,224	5,649,250	4,489,691	5,500,026	2,235,203	(135,243)	(5,436,471)	1,462,377	3,752,014	(1,576,551)
Contributed Capital	67,345	1,176,656	552,881	1,174,858	416,554	668,269	1,498,370	1,070,725	1,115,738	1,330,881
Change in net position	5,911,569	6,825,906	5,042,572	6,674,884	2,651,757	533,026	(3,938,101)	2,533,102	4,867,752	(245,670)
Net Position, beginning of year	107,097,933	100,272,027	95,229,455	96,786,691	94,134,934	93,601,908	97,540,009	95,006,907	90,139,155	90,384,825
Prior Period Adjustment	-	-	-	(8,232,120)	-	-	-	-	-	-
Net Position, end of year	\$113,009,502	\$107,097,933	\$100,272,027	\$95,229,455	\$96,786,691	\$94,134,934	\$93,601,908	\$97,540,009	\$95,006,907	\$90,139,155

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
	Value	Acre Feet	Value	Acre Feet	Value	Acre Feet	Value	Acre Feet	Value	Acre Feet	
2014	\$21,671,513	13,079.4	\$3,275,725	1,945.6	\$3,835,833	2,287.1	\$1,810,450	1,075.1	\$1,276,974	740.5	\$1,666
2013	\$20,750,003	13,114.2	\$3,144,742	1,953.8	\$3,384,426	2,098.8	\$1,665,459	1,031.2	\$1,159,166	706.4	\$1,592
2012	\$17,831,592	12,190.5	\$2,677,141	1,796.0	\$2,561,020	1,728.2	\$1,405,719	938.3	\$897,168	588.3	\$1,472
2011	\$16,593,101	12,386.3	\$2,597,904	1,863.5	\$2,402,331	1,725.8	\$1,416,245	994.9	\$915,714	619.4	\$1,360
2010	\$15,409,252	12,922.8	\$2,376,951	1,891.1	\$2,081,667	1,719.8	\$1,343,192	1,075.2	\$858,695	663.7	\$1,208
2009	\$13,721,293	14,279.2	\$2,062,765	2,137.1	\$2,102,655	2,201.1	\$1,356,949	1,473.6	\$746,221	775.0	\$958
2008	\$13,422,143	15,037.8	\$2,045,280	2,274.3	\$2,081,908	2,346.4	\$1,640,548	1,936.8	\$684,716	766.9	\$897
2007	\$12,730,608	15,228.0	\$1,919,874	2,296.5	\$1,912,768	2,288.0	\$1,763,040	2,108.9	\$623,489	745.8	\$836
2006	\$12,047,282	14,947.0	\$1,816,160	2,253.3	\$1,707,753	2,118.8	\$1,675,996	2,079.4	\$530,751	658.5	\$806
2005	\$11,267,537	14,690.4	\$1,708,876	2,228.0	\$1,503,013	1,959.6	\$1,519,197	1,980.7	\$502,002	654.5	\$767

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>
2014	24,191	1,608	897	562	1,228	94	28,580
2013	24,048	1,601	889	567	1,218	92	28,415
2012	24,061	1,603	887	555	1,211	92	28,409
2011	23,974	1,630	877	557	1,183	92	28,313
2010	23,958	1,647	864	568	1,177	91	28,305
2009	23,982	1,597	838	573	1,138	90	28,218
2008	23,778	1,614	825	740	1,111	84	28,152
2007	23,592	1,620	816	753	1,011	80	27,872
2006	23,562	1,584	796	754	898	76	27,670
2005	23,564	1,544	782	753	833	78	27,554

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	
2014**	\$3.61	\$4.15	\$4.15	\$3.93	\$32.85
2013**	\$3.52	\$4.06	\$4.06	\$3.84	\$31.87
2012**	\$3.29	\$3.83	\$3.83	\$3.61	\$30.04
2011**	\$3.01	\$3.55	\$3.55	\$3.33	\$29.30
2010***	\$2.69	\$3.23	\$4.37	\$3.01	\$29.30
2009	\$2.34	NA	NA	\$2.00	\$23.70
2008	\$2.14	NA	NA	\$1.80	\$22.70
2007	\$1.98	NA	NA	\$1.64	\$21.40
2006	\$1.92	NA	NA	\$1.58	\$20.00
2005	\$1.85	NA	NA	\$1.51	\$18.50

* HCF = One Hundred Cubic Feet

** The tier 3 rate is only imposed during times of water delivery cutbacks stipulated by the San Diego County Water Authority.

When no water delivery cutbacks are imposed by the Water Authority, Tier 3 usage is billed at the Tier 2 rate.

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

Source: Vista Irrigation District

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

<u>Fiscal Year ended June 30, 2014</u>			<u>Fiscal Year ended June 30, 2005</u>		
<u>Customer</u>	<u>Usage in Acre Feet</u>	<u>Percent of Water Sold</u>	<u>Customer</u>	<u>Usage in Acre Feet</u>	<u>Percent of Water Sold</u>
Golf Course	275.5	1.45%	Golf Course	299.6	1.39%
Courthouse	131.8	0.69%	Courthouse	111.8	0.52%
Industrial	62.7	0.33%	Agriculture	76.4	0.36%
Agricultural	57.9	0.30%	Industrial	56.7	0.26%
Industrial	51.3	0.27%	Industrial	48.4	0.23%
High School	43.6	0.23%	Mobile Home Park	46.8	0.22%
Mobile Home Park	39.1	0.21%	Agriculture	44.9	0.21%
Mobile Home Park	38.6	0.20%	Agriculture	44.5	0.21%
Mobile Home Park	38.4	0.20%	High School	43.7	0.20%
Industrial	37.5	0.20%	Mobile Home Park	42.4	0.20%
Total Top Ten Customers	<u>776.4</u>	<u>4.08%</u>	Total Top Ten Customers	<u>815.2</u>	<u>3.80%</u>
Other Customers	<u>18,232.9</u>	<u>95.92%</u>	Other Customers	<u>20,665.1</u>	<u>96.20%</u>
Total Water Sales	<u><u>19,009.3</u></u>	<u><u>100.00%</u></u>	Total Water Sales	<u><u>21,480.3</u></u>	<u><u>100.00%</u></u>

Source: Vista Irrigation District

Table VII
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year	Total Population	Average Household Size	Unemployment Rate*	Per Capita Personal Income*	Total Personal Income (1)
2005	120,053	3.06	4.8%	\$38,660	\$4,640,700
2006	120,207	3.07	4.4%	\$38,580	\$4,637,700
2007	120,443	3.07	5.1%	\$38,730	\$4,664,600
2008	121,491	3.10	6.7%	\$39,390	\$4,789,100
2009	122,120	3.11	10.7%	\$38,260	\$4,671,900
2010	122,217	3.13	11.8%	\$37,850	\$4,625,300
2011	122,878	3.14	11.2%	\$38,010	\$4,670,800
2012	123,843	3.14	9.9%	\$37,770	\$4,677,300
2013	124,293	3.15	8.4%	\$37,900	\$4,711,000
2014	124,746	3.16	n/a	n/a	n/a

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

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

Source: SANDAG

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

Fiscal Year Ended June 30, 2014 ⁽¹⁾			Fiscal Year Ended June 30, 2005 ⁽²⁾		
Employer Name	Industry	No. of Employees	Employer Name	Industry	No. of Employees
U.S. Dept. of Defense	Military	10,000+	Federal and State Government	Government	10,000+
Federal Government	Government	10,000+	University of California, San Diego	Education	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+	City of San Diego	Government	10,000+
Sharp Healthcare	Healthcare	10,000+	Scripps Health	Healthcare	5,000-9,999
Scripps Health	Healthcare	10,000+	SBC	Telecommunications	5,000-9,999
San Diego Unified School District	Education	10,000+	Qualcomm, Inc.	Technology/ Communications	5,000-9,999
City of San Diego	Government	10,000+	Kaiser Permanente	Healthcare	5,000-9,999
Kaiser San Diego Medical Center	Healthcare	5,000-9,999	San Diego Community Colleges	Education	5,000-9,999

Source: ¹ *San Diego Source Book*
² *San Diego County Water Authority*

Table IX
NUMBER OF EMPLOYEES
Last Ten Fiscal Years

DIVISIONS	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Administration & Field Services	62	65	68	66	72	74	73	71	71	69
Engineering	7	7	8	10	10	11	11	11	11	11
Water Resources	15	18	18	18	19	19	19	17	17	16
Other	-	-	-	-	-	-	-	1	-	-
Total Employees	<u>84</u>	<u>90</u>	<u>94</u>	<u>94</u>	<u>101</u>	<u>104</u>	<u>103</u>	<u>100</u>	<u>99</u>	<u>96</u>
Average Years of Service	11.9	11.7	11.8	11.1	10.4	10.4	11.4	11.2	11.8	13.1

Source: Vista Irrigation District

Table X
OPERATING AND CAPITAL INDICATORS
Last Ten Fiscal Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Service Area (acres)*	21,200	21,200	21,200	21,200	21,200	21,200	21,200	19,800	19,800	19,800
Miles of water main (4" and larger)	473	473	471	470	470	469	469	466	465	462
Number of enclosed reservoirs	12	12	12	12	12	14	14	14	14	14
Capacity of enclosed reservoirs (acre feet)	142	142	142	142	142	147	147	147	147	147
Number of open reservoirs	1	1	1	1	1	1	1	1	1	1
Capacity of open reservoirs (acre feet)	51,774	51,774	51,774	51,774	51,774	51,774	51,774	51,774	51,774	51,774
Number of pump stations	7	7	7	7	8	8	8	8	8	8
Number of pumps	18	18	18	18	19	19	19	19	19	19
Total capacity of pumps (horsepower)	1,045	1,045	1,055	1,055	1,075	1,110	1,110	1,110	1,110	1,110
Number of service connections	28,609	28,435	28,435	28,314	28,305	28,255	28,152	27,872	27,670	27,554
Number of meters in service	28,272	28,208	28,149	28,028	27,974	27,896	27,770	27,062	26,780	26,588
Production peak (million gallons per day)	32	28	26	27	31	31	37	42	42	40
Average production (million gallons per day)	18	18	17	16	19	20	21	21	21	20
Total rainfall (inches) - Lake Henshaw	13	14	20	36	33	19	30	9	22	46
Total rainfall (inches) - Vista	5	9	11	25	18	13	15	8	11	33
Average daily temperature (F) - Lake Henshaw	60	57	55	55	56	58	58	59	51	56
Average daily temperature (F) - Vista	63	62	61	61	67	64	64	60	61	63
Electricity purchased (1,000 kWh) - Service Area	1,078	1,244	1,123	1,719	1,768	1,590	1,804	1,860	3,344	3,356
Electricity purchased (1,000 kWh) - Lake Henshaw	3,310	3,800	1,315	2,178	3,178	3,841	4,100	1,475	213	293
Natural gas purchased (1,000 therms)	5,777	6,500	6,990	5,379	5,928	8,792	9,674	9,107	6,954	9,363
Mainline repairs	32	41	40	47	20	21	25	22	20	13

*From 2005 to 2007, service area measurement only included parcel acreage. Beginning in 2008, service area figures included parcel and right-of-way acreage, increasing the number of service area acres.

Source: Vista Irrigation District



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We have audited the financial statements of the Vista Irrigation District (the District) for the year ended June 30, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 10, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. During the year under audit, the District adopted Governmental Accounting Standards Board Statement No. 63, *Items Previously Reported as Assets and Liabilities*. The application of existing policies was not changed during fiscal year 2014. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimate of the depreciation of capital assets is based on the use of the assets. Also, management's determination of capitalized project costs vs. repair/non-capital costs is considered significant. We evaluated the key factors and assumptions used to develop the depreciation of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the unbilled accounts receivable and revenue is based on the estimations of water used but not billed. We evaluated the key factors and assumptions used to develop the unbilled accounts receivable and revenue in determining that it is reasonable in relation to the financial statements taken as a whole.

The estimate of the liability for pensions and other postemployment benefits is based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

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

The disclosure of pension and other postemployment benefit obligations in the notes to the financial statements are based on actuarial assumptions. The District is part of a cost-sharing risk pool for retirement benefits and a single employer plan for the postemployment plan and actual future liabilities will vary from disclosed estimates.

The disclosure of the Settlement Agreement in Note 10 to the financial statements is contingent on certain conditions being met. At this point, there is no way to determine the length of time to resolve the matter and obtain all required approvals for a final settlement.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 23, 2014.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the transmittal letter and the statistical section, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of 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.

Very truly yours,

Rogers Anderson Malochy & Scott, LLP



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**INDEPENDENT AUDITOR'S 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***

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Kirk A. Franks, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
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Brianna Pascoe, CPA

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California Society of
Certified Public Accountants

To the 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 (District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 23, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 may exist that have not been identified.

Compliance and Other Matters

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

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.

Rogers Anderson Maloney & Scott, LLP

San Bernardino, CA
December 23, 2014



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To the Board of Directors
Vista Irrigation District
Vista, California

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Ivan Gonzales, CPA, MSA
Brianna Pascoe, CPA

In planning and performing our audit of the financial statements of the Vista Irrigation District (the District) as of and for the year ended June 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be significant deficiencies or material weaknesses.

However, during the course of our procedures, we noted certain matters that we considered to be opportunities improving financial reporting:

Update Investment Policy

During our audit of the District's investments, it was noted that the investment policy was not updated during 2013-2014 to reflect the changes in the California Government Code, Sections 53600 et seq. The changes to the code that are not currently reflected in the District's policy are as follows:

1. Reverse Repurchase Agreements shall not exceed 20% of the organization's total portfolio.

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District's response

Although allowed per the District's Investment Policy, the District has not invested in Reverse Repurchase Agreements. However, the District plans to revise its Investment Policy to limit investments in Reverse Repurchase Agreements to not exceed 10% of the organization's total portfolio, which is more conservative than the percentage allowed by Government Code, Sections 53600 et seq.

Rogers Anderson Maloney & Scott, LLP

San Bernardino, CA
December 23, 2014



Vista Irrigation District
Results of annual audit

Fiscal year ended
June 30, 2014



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

JANUARY 7, 2015

Responsibilities of Auditor

2

- Audit of District's financial statements in accordance with US Generally Accepted Auditing Standards
- Plan the audit to express an opinion as to whether managements financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles (GAAP)
 - Provide reasonable assurance, not absolute

Audit Process

3

- Interim audit (September 2014):
 - Gained understanding of District and reviewed controls over financial reporting for the following areas (inquiries, inspect documents, etc):
 - Cash receipts
 - Investments
 - Inventory
 - Information technology
 - Financial close and reporting
 - Capital assets
 - Performed control testing over the following areas:
 - Cash disbursements
 - Billing
 - Payroll

Audit Process (continued)

4

- **Internal control over financial reporting:**
 - Considered as a basis of designing audit procedures
 - Used to help plan overall audit
 - Not considered for the purpose of expressing an opinion on internal control over financial reporting

Audit Process (continued)

5

- Year-end audit (November 2014):
 - Conducted detailed audit of financial records (audit of the numbers)
 - Inspected relevant documentation
 - Inquired about transactions and events
 - Confirmed cash and investment balances
 - Performed analytical procedures (looking for significant variances or unusual transaction)
 - Read minutes of board meetings

Completing the process

6

- **Required communications**
 - SAS 114 letter to those charged with governance
 - Report on significant deficiencies or material weaknesses
- **Other communications**
 - Best Practices letter

Conclusion

7

- Questions



STAFF REPORT

Agenda Item: 8

Board Meeting Date: January 7, 2015
Prepared By: Marlene Kelleher
Reviewed By: Eldon Boone
Approved By: Roy Coox

SUBJECT: FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2014

RECOMMENDATION: Informational report concerning the financial results of the Lake Henshaw operations and the District wide budget vs. actual comparison.

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, 2014. This report includes the following items:

FINANCIAL STATEMENTS

- Lake Henshaw Operations- Statements of Revenues and Expenses

BUDGET REPORTS

- Water Statistics Budget Comparison
- Revenue and Expense Budget Comparison
- Capital Outlay Comparison

SPECIAL REPORTS

- Property Revenues
- Legal Expenses

The Lake Henshaw financial statements reflect revenues and expenses directly related to operating Lake Henshaw and the surrounding Warner Ranch. The Lake Henshaw revenues were \$1,957,926, which included an estimated value of \$1,404,906 in local water that was provided to the District. The expenses were \$2,648,866, which included \$280,447 for legal and consulting fees related to the water rights litigation. The Lake Henshaw operations resulted in a \$785,672 net loss for Fiscal Year 2014.

The budget reports compare the actual results for the year ended June 30, 2014 with the budgeted amounts approved by the Board.

Overall, the District experienced a \$5.5 million operating gain this fiscal year. This gain was primarily the result an increase in water sales. The District purchased \$21.4 million of imported water from the San Diego County Water Authority.

DETAILED REPORT: See attached Financial Report for the Year Ended June 30, 2014.



FINANCIAL REPORT
For the Year Ended
June 30, 2014

(UNAUDITED)

VISTA IRRIGATION DISTRICT

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FINANCIAL STATEMENTS

LAKE HENSHAW OPERATIONS

STATEMENTS OF REVENUES AND EXPENSES

Years Ended June 30, 2014 and 2013

(Unaudited)

	2014	2013
Revenues:		
Value of local water produced	\$ 1,404,906	\$ 1,688,083
Property rentals	513,029	512,466
Contract water sales	39,991	25,020
Total Revenues	<u>1,957,926</u>	<u>2,225,569</u>
Expenses:		
Burden allocation	737,455	750,906
Contractual services	433,684	430,378
Power	366,044	483,581
Professional fees	350,954	600,778
Wages	329,221	335,226
Depreciation	307,234	306,026
Supplies	76,182	76,983
Insurance	33,864	33,946
Office and general	14,228	18,142
Communications	-	1,070
Total Expenses	<u>2,648,866</u>	<u>3,037,036</u>
Operating Loss	<u>(690,940)</u>	<u>(811,467)</u>
Nonoperating Revenues (Expenses):		
Federal & state assistance	-	64,015
Legal settlement	<u>(94,732)</u>	<u>(57,090)</u>
Total Nonoperating Revenues (Expenses)	<u>(94,732)</u>	<u>6,925</u>
NET LOSS	<u>\$ (785,672)</u>	<u>\$ (804,542)</u>



BUDGET REPORTS

VISTA IRRIGATION DISTRICT

WATER STATISTICS BUDGET COMPARISON Year Ended June 30, 2014 (In Acre Feet)

	Actual	Budget	Percentage of Budget
WATER SOURCES:			
Water Purchases	18,439	14,931	123%
Local Water	<u>1,695</u>	<u>4,475</u>	38%
Total Water Sources	<u><u>20,134</u></u>	<u><u>19,406</u></u>	104%
 WATER SALES	 <u><u>19,128</u></u>	 <u><u>18,331</u></u>	 104%

VISTA IRRIGATION DISTRICT

REVENUE AND EXPENSE BUDGET COMPARISON Year Ended June 30, 2014

	Actual	Budget	Percentage of Budget
OPERATING REVENUES:			
Water sales:			
Single family	\$ 15,975,260	\$ 15,700,000	102%
Multiple family	5,014,153	4,200,000	119%
Irrigation	3,835,833	3,900,000	98%
Commercial	2,196,888	1,900,000	116%
Agricultural	1,810,450	1,800,000	101%
Government	1,276,974	1,295,000	99%
Industrial	1,073,542	900,000	119%
Mobile homes	682,100	600,000	114%
Contract water	39,991	62,000	65%
Unmetered	5,295	5,000	106%
Service charges	14,948,156	15,053,000	99%
Subtotal water sales	<u>46,858,642</u>	<u>45,415,000</u>	
Property rentals	705,845	664,760	106%
System fees:			
Capacity	667,311	244,000	273%
Subtotal system fees	<u>667,311</u>	<u>244,000</u>	
Other services:			
Non construction services	249,465	87,000	287%
New installations	205,377	104,000	197%
Subtotal other services	<u>454,842</u>	<u>191,000</u>	
Total Operating Revenues	<u>48,686,640</u>	<u>46,514,760</u>	105%
OPERATING EXPENSES:			
Purchased water	21,351,934	17,910,900	119%
Wages and benefits:			
Salaries	7,647,174	7,938,000	96%
Employee health insurance	1,633,276	1,710,000	96%
PERS retirement	1,459,677	1,600,000	91%
FICA & medicare	581,539	595,000	98%
Retiree medical insurance	307,072	400,000	77%
Workers compensation	204,503	185,000	111%
Deferred compensation plan	97,106	95,000	102%
Life and disability insurance	63,562	70,000	91%
Uniforms	28,298	31,500	90%
EAP counseling	2,650	3,000	88%
Tuition reimbursement	1,873	4,000	47%
Unemployment insurance	-	25,000	0%
Subtotal wages and benefits	<u>12,026,730</u>	<u>12,656,500</u>	

VISTA IRRIGATION DISTRICT

REVENUE AND EXPENSE BUDGET COMPARISON Year Ended June 30, 2014

	Actual	Budget	Percentage of Budget
Contractual services	3,932,249	4,190,770	94%
Depreciation	3,222,382	3,170,000	102%
Supplies	1,369,388	1,403,040	98%
Professional fees:			
Legal	506,564	550,000	92%
Consulting	116,712	193,000	60%
Audit	11,525	20,000	58%
Subtotal professional fees	<u>634,801</u>	<u>763,000</u>	
Power	603,100	650,300	93%
Insurance	476,242	502,000	95%
Office and general:			
Fees and permits	104,662	99,340	105%
Postage	81,279	86,000	95%
Employment related expense	48,981	51,015	96%
Dues, subscriptions, and publications	45,569	49,290	92%
Travel	36,937	30,400	122%
Office supplies	33,565	33,200	101%
Training	30,618	57,330	53%
Research, grants, and contributions	24,740	5,620	440%
Computer hardware	19,979	24,457	82%
Printing	13,008	16,000	81%
Computer software	5,378	17,267	31%
Liability claims	647	1,500	43%
Subtotal office and general	<u>445,363</u>	<u>471,419</u>	
Uncollectible accounts	60,389	59,000	102%
Communications	57,814	70,510	82%
Burden allocation	(947,821)	(1,000,000)	95%
Total Operating Expenses	<u>43,232,571</u>	<u>40,847,439</u>	106%
OPERATING INCOME	5,454,069	5,667,321	96%
NONOPERATING REVENUES (EXPENSES):			
Property taxes	443,255	360,000	123%
Investment income	45,451	66,000	69%
Federal & state assistance	-	45,000	0%
Loss on disposal of capital assets	(3,819)	-	-
Legal settlement	(94,732)	-	-
Total Nonoperating Revenues	<u>390,155</u>	<u>471,000</u>	83%
NET INCOME	<u>\$ 5,844,224</u>	<u>\$ 6,138,321</u>	95%

VISTA IRRIGATION DISTRICT

CAPITAL OUTLAY COMPARISON June 30, 2014

	Budget Item #	Board Approved (Inception To Date)	Outlay To Date	Capital Outlay Remaining
ADMINISTRATION:				
Copiers (2)	14-01	\$ 25,000	\$ 19,967	\$ -
ENGINEERING:				
S. Santa Fe Widening	98-01	1,550,000	1,360,425	189,575
E43 Regulator Relocation & Upgrade	10-02	15,000	-	15,000
AB Line Replacement	11-04	500,000	4,056	495,944
East Vista Way - Mason Road Pipeline	12-02	600,000	-	600,000
S Santa Fe Pipeline - Mar Vista to Montg	12-03	10,000	-	10,000
FY 2013 Main Replacement Program	13-01	1,700,000	1,001,386	-
FY 2014 Main Replacement Program	14-02	1,700,000	1,420,134	279,866
Paseo Santa Fe Street Pipeline	14-03	650,000	-	650,000
Hilo Drive Main Extension	14-04	150,000	89,892	-
Control Valve and SCADA Control Panel	14-05	120,000	140,288	-
Isolation Valve	14-06	40,000	20,724	19,276
Survey Instrument	14-07	9,500	-	-
		<u>7,044,500</u>	<u>4,036,905</u>	<u>2,259,661</u>
FIELD SERVICES:				
Dump Truck	13-05	100,000	102,956	-
Radio Communication System	13-07	30,000	17,148	-
Vehicles (5)	14-08	119,500	41,657	77,843
		<u>249,500</u>	<u>161,761</u>	<u>77,843</u>
FINANCE:				
Accounting Software	12-07	300,000	64,664	235,336
Storage Area Network Device	14-09	34,650	45,931	-
		<u>334,650</u>	<u>110,595</u>	<u>235,336</u>
OPERATIONS:				
Skid Mount Pump System	14-10	80,000	100,991	-
SCADA Control Panel	14-11	36,000	38,813	-
Pump Control Valve	14-12	11,500	10,731	-
		<u>127,500</u>	<u>150,535</u>	<u>-</u>

VISTA IRRIGATION DISTRICT

CAPITAL OUTLAY COMPARISON June 30, 2014

	Budget Item #	Board Approved (Inception To Date)	Outlay To Date	Capital Outlay Remaining
WATER RESOURCES:				
On-Site Chlorine Generation System	11-12	350,000	178,416	171,584
Pump	11-16	6,500	-	-
SCADA Control Panel	14-13	59,000	59,918	-
Fence	14-14	38,000	-	38,000
Auger Driver	14-15	6,500	5,408	-
		<u>460,000</u>	<u>243,742</u>	<u>209,584</u>
		<u>\$ 8,241,150</u>	<u>\$ 4,723,505</u>	<u>\$ 2,782,424</u>



SPECIAL REPORTS

VISTA IRRIGATION DISTRICT

PROPERTY REVENUES Years Ended June 30, 2014 and 2013

	6/30/14	6/30/13
Hein Hettinga	\$ 208,057	\$ 186,023
Department of Defense - Navy 2nd lease	90,920	89,773
My Country Club, Inc.	80,000	80,000
Department of Defense - Navy	51,179	50,534
Crown Castle - Cabrillo Circle	41,677	40,390
T-Mobile - Lupine Hills	41,602	40,390
Nextel Communications	36,808	19,343
Lake Henshaw Resort, Inc.	28,156	34,117
Crown Castle GT Co.	25,227	17,197
Verizon Wireless	18,515	18,255
Sprint	18,319	18,094
Crown Castle - Vista Towers	15,677	15,147
Mendenhall Cattle Company, Inc.	14,429	14,200
Puerta La Cruz	11,590	11,419
Sempra Energy	11,400	11,230
San Diego County Water Authority	9,000	-
Charles Chester Taylor	1,500	1,500
Noll Seeds	1,127	2,728
Vallecitos Water District	360	360
CalFire	302	15,539
County of San Diego - Warner Pit	-	256
	<hr/>	<hr/>
TOTAL PROPERTY REVENUES	<u>\$ 705,845</u>	<u>\$ 666,495</u>

VISTA IRRIGATION DISTRICT

LEGAL EXPENSES

Year End Ending June 30, 2014

General Legal Fees

Liebert, Cassidy & Whitmore	General	18,187	
Rutan & Tucker LLP	General	<u>207,930</u>	\$ 226,117

Water Rights Legal Fees

Horton, Knox, Carter & Foote	Indians	163,121	
Rutan & Tucker LLP	QSA	82,125	
San Luis Rey Indian Wtr Authority (Wilmer Hale)	Indians	36,182	
Law Office of Patrick J Maloney	QSA	<u>(981)</u>	
			<u>280,447</u>

Total Legal Costs (12 months)			\$ <u>506,564</u>
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Total Budgeted Legal Costs (12 months)			\$ <u>550,000</u>
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STAFF REPORT

Board Meeting Date: January 7, 2015
Prepared By: Eldon Boone, Brian Smith
 Don Smith
Approved By: Roy Coox

SUBJECT: DIVISION REPORTS

RECOMMENDATION: Note and file informational report.

PRIOR BOARD ACTION: None.

FISCAL IMPACT: None.

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

FIELD SERVICES AND WATER RESOURCES DIVISION

**VID Water Production
November 2014**

Description	Current Month Production		Average Production of Last 12 Months		Total, Fiscal Year-to-Date
	(mgd)	(af)	(mgd)	(af)	(af)
VID's EVWTP Production					
Local Water	0.00	0.00	1.28	120.73	1,060.10
SDCWA Raw Water	11.86	1,091.70	8.21	765.55	4,193.00
Subtotal (EVWTP Production)	11.86	1,091.70	9.49	886.28	5,253.10
Oceanside Contract Water	2.67	245.40	5.26	491.50	2,625.00
SDCWA Treated Water	0.55	50.30	2.95	276.69	1,127.60
TOTAL WATER PRODUCTION	15.07	1,387.40	17.70	1,654.48	9,005.70

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

Lake Henshaw

Storage as of December 29, 2014: 3,787 af (7% of 51,774 af capacity)
 Current releases: 0 cfs
 Change in storage for month of November: 392 af (gain)
 Total releases for month of November: 0 af
 Hydrologic year-to-date rain total: 6.16 inches (December 29, 2014)
 Percent of yearly average rain: 25% (30-year average: 24.75 inches)
 Percent of year-to-date average rain: 77% (30-year average through December: 7.93 in.)

Warner Ranch Wellfield

Number of wells running in November: 14
 Total production for month of November: 687 af
 Average depth to water table (November): 97 ft

December 2014

- Pechstein SCADA CIP – routed new signal wire from Plant # 4 to Station # 10.
- SCADA – Radio testing was conducted at the D2 regulator site for a potential future solar powered telemetry location.
- Hydraulic valve actuator was removed from Lupine Hills reservoir for refurbishment.
- County of San Diego Department of Environmental Health conducted an audit of the District's CalARP (California Accidental Release Prevention) program. The audit revealed two deficiencies in program documentation which have been corrected.
- Analyzed 125 routine (reportable to SWRCB) bacteriological samples. All samples were negative for total coliforms (TC-). The average chlorine residual for December was 2.39 mg/L.
- Ten new backflow devices were tested by staff and entered into the District's database. The District currently administers 2,743 backflow devices.
- WQ Calls/Incidents for December – received two discolored water calls. Both calls were transient with indeterminate causes.
- Facilitated annual inspection of District owned diesel engines conducted by the County of San Diego Air Pollution Control District.
- Continued RFP process for stair installations at HB and HP reservoirs.
- Submitted annual government fleet smog check report.
- Assisted with the design and construction of the VID holiday parade float.
- Annual fire extinguisher inspection and hydro-testing was performed by North County Fire and Equipment.
- Completed main line replacement on Ocean View Drive (Phase 2) – 1,800 feet of 8" pipe, 36 services and 3 fire hydrants.
- Commenced main line replacement on East Vista Way and Corvalla Drive – 1,000 feet of 10" pipe, 9 services and 1 fire hydrant. Approximately 10% complete.
- Conducted our annual inspection of the Henshaw Dam outlet tunnel. This year, staff of the California Department of Safety of Dams participated in the inspection. No issues were noted.

January 2015

- Prepare for ten-day SDCWA treated water shutdown, scheduled for January 20 through 29, 2015.
- Install and conduct performance testing on refurbished pump and motor at Station #10.
- Submit draft site sampling plan to the SWRCB for review.
- Install 16" magnetic flow meter at Station #10.
- Install 36" inline butterfly valve at East Vista Way and Warmlands Ave.
- Begin recruitment for Facilities Worker.
- Draft RFP for the interior lining of "E1" Reservoir.
- Submit portable equipment annual reports to the California Air Resources Board.

WARNER RANCH, SAN LUIS REY RIVER, FERC and ESCONDIDO ISSUES

- EVWTP On Site Chlorine Generation and Electrical Upgrades Project: Construction has begun. The contractor will be framing and pouring the containment trench over the holidays, and begin preliminary work to relocate the chlorine system emergency power generator in preparation for the demolition of the generator enclosure.
- Prepared and submitted updates to the Henshaw Dam Emergency Action Plan (EAP) to all plan holders.
- Prepared and submitted dam status and monitoring reports to FERC and DSOD.
- Issued entry permits to: Cumming and Associates for the Christmas Bird count; Boy Scouts of America for trail maintenance activities; PanGIS to conduct cultural surveys at several individual SDG&E power pole locations; and Pacific Hospitality Group for waterfowl hunting.

- Cattle counts for November: Hettinga – 1,239 Mendenhall – 7 (short term minimum).
- See the attached reports on activity for October 2014 for the Lake Henshaw Resort, Inc.

ATTACHMENTS: Lake Henshaw Resort, Inc., Activity Reports – October 31, 2014

ADMINISTRATION

December 2014

- Coordinated participation in the 2014 Vista Christmas Parade.
- Distributed materials regarding the District scholarship program to local high schools. Posted an electronic copy of the application materials on the web site.
- Issued news releases regarding the scholarship program, the Board’s election of officers for 2015 and filling the Board of Directors vacancy.
- Began installation of water bottle filling stations at three schools, Breeze Hill Elementary School, Vista Innovation & Design Academy and Rancho Buena Vista High School
- Conducted annual review of the District’s Investment Policy as required by State law.
- Completed implementation of Tyler Financial System.
- Continued recruitment for Welder I position.
- Organized the annual Employee Appreciation Event (December 16).

January 2015

- Deliver 2015 Water Awareness Calendars to fourth grade classes. Invite teachers to schedule a classroom presentation regarding the upcoming poster contest. This year’s theme is “Be Water Smart.”
- Complete installation of water bottle filling stations at three schools, Breeze Hill Elementary School, Vista Innovation & Design Academy and Rancho Buena Vista High School
- Continue recruitment for Welder I position.
- Conduct training on the proper handling, processing and disposal of asbestos cement pipe for field staff.

ENGINEERING DIVISION

December 2014

- Continued working on design of main replacement projects.
- CWA Projects: Carlsbad Desalination Project (Contractor Kiewit Shea Desalination, KSD) -- Completed inspection within Carlsbad Segment – Melrose Drive and Faraday Ave.
- Attended meeting of the North County Recycled Coalition.

January 2015

- Mainline Replacement Projects in Design (current projects): Alley Way (North Santa Fe and Indiana Avenue), S. Melrose Drive (storm drain crossings), E. Vista Way (Larkhill to Corvalla), Peters Drive, Canyon Drive, Estrelita Dr., E. Vista Way, Mason Road, N. Citrus Avenue, Nevada Avenue, Lemon Avenue, Lado De Loma, Eddy Drive, Rancho Vista Drive, Bandini Place.
- AB Line Replacement (Esplendido Avenue and Companero Drive) and Meyers Siphon Replacement Projects – Staff has reviewed proposals from three consultants and selected Infrastructure Engineering Corporation (IEC) to design replacement/rehabilitation options. Staff is in the process of negotiating fees and a final scope of work for consideration by the Board at a future Board meeting.

- Mainline Replacement Projects in Planning (future projects): Buena Creek Road, E. Vista Way (Foothill Dr. to Arcadia Ave.), HN Line (Gopher Canyon to Fairview), Peach Grove Lane, Palomar Place, Oak Drive, Ora Avo Drive, Shale Rock, McGavran Drive, Camino Patricia, Camino Corto, Primrose Avenue, Las Flores Drive, La Mirada Drive, Descanso Avenue, S. Santa Fe Pipeline (Mar Vista Dr. to Montgomery Dr.), Phillips Street, and Pump Station No. 10 by-pass (Blue Bird Canyon Road), Mar Vista Dr., Rockhill Rd., San Clemente Ave., Taylor Street, Goodwin Dr.
- City of Vista Projects: Paseo Santa Fe Streetscape Improvements-- Phase I along South Santa Fe Avenue from Main Street to Oceanview Dr. (D-2242, CIP 8232) - Downtown Redevelopment Project. Staff to continue to provide inspection of water facilities affected by street improvements.
- CWA Projects: Carlsbad Desalination Project: Pipeline 3 Relining Project, Portal 5 (Contractor L.H. Woods & Sons, Inc.)-- Contractor utilizing District leased property near Pechstein reservoir.
- Attend meeting of the North County Recycled Coalition.



**LAKE HENSHAW RESORT, INC.
ACTIVITY REPORT
AS OF OCTOBER 31, 2014**

	2013 Oct	2013 Nov	2013 Dec	2014 Jan	2014 Feb	2014 Mar	2014 Apr	2014 May	2014 Jun	2014 Jul	2014 Aug	2014 Sep	2014 Oct	12 MO AVG
Fishing Permits	287	205	101	171	242	267	619	776	797	681	725	323	265	420
Boat Launches	0	2	14	9	6	5	34	46	44	23	12	5	3	16
Motor Boats (full day rental)	15	9	32	32	19	19	47	73	81	66	55	32	22	39
Motor Boats (half day rental)	4	2	0	3	3	1	4	10	21	8	14	5	6	6
Campground/Head Count	776	365	158	264	307	411	693	2,077	859	2,249	2,413	1,275	685	964
Campground/Cars, Trucks, etc.	278	77	25	54	75	108	179	765	253	560	719	423	215	287
Campground/Recreational Vehicles	6	20	7	10	11	12	13	20	10	32	3	12	8	13
Mobile Home/Spaces	66	63	63	61	61	60	61	59	59	59	59	59	61	61
M.H.P. Daily (Visitors/Head Count)	102	119	115	76	88	107	134	127	94	123	119	98	121	109
M.H.P. (Residents/Head Count)	93	86	86	85	85	83	85	82	82	82	82	82	87	85
Storage	9	8	8	6	6	6	6	6	8	8	8	5	5	7
Cabins	118	150	93	141	166	167	230	188	150	201	217	203	222	173
Hunters	0	0	175	171	0	0	0	0	0	0	0	0	0	27



STAFF REPORT

Board Meeting Date: January 7, 2015
Prepared By: Lisa Soto
Approved By: Roy Coox

SUBJECT: DIVISION 4 DIRECTOR VACANCY

RECOMMENDATION: Consider how to proceed with an appointment to fill the Division 4 vacancy on the Board of Directors.

PRIOR BOARD ACTION:

12/17/14 The Board elected to post a “Notice of Vacancy” in three conspicuous locations in the District’s service area and accept applications from candidates with a deadline of on or before January 6, 2015 at 3:00 p.m.

FISCAL IMPACT: None associated with an appointment. .

SUMMARY: With the December 9, 2014 resignation of Director Franklin, Division 4 Board Director prior to his taking the Oath of Office as a Council member of the City of Vista, a vacancy was created on the Vista Irrigation District Board of Directors for Division 4. At its December 17 Board meeting the Board considered the options available to fill the vacancy in accordance with Government Code §1780. The Board has elected to exercise its option to appoint a qualified candidate to fill the vacancy for the remainder of the Division 4 four-year term which will expire in December 2016.

DETAILED REPORT: On December 10, 2014, the District’s Board Secretary formally notified the San Diego County Registrar of Voters of the Division 4 vacancy. On December 17, 2014, a Notice of Vacancy was posted in the District lobby, at the Vista City Hall, and at the Vista Library. The following day, the Notice of Vacancy was also posted on the District’s website and a press release was submitted to the local newspapers. Government Code §1780 requires that the vacancy be filled within 60 days following its effective date (i.e., by approximately February 8, 2015). When the Board makes an appointment, the Board Secretary will be prepared to swear in the appointee and the new Director may take a seat at the dais to participate in the balance of the meeting.

Copies of any applications received by the deadline will be provided at the Board meeting.

ATTACHMENTS:

1. Notice of Vacancy
2. Press release regarding the vacancy
3. “Statement of Qualifications for Director” application with “Instructions for Applicants”



1391 Engineer Street • Vista, California 92081-8836
Phone (760) 597-3100 • Fax (760) 598-8757

Board of Directors

Jo MacKenzie, *President*

Paul E. Dorey

Marty Miller

Richard L. Vasquez

Administrative Staff

Roy A. Coox
General Manager

Eldon L. Boone
Assistant General Manager

Lisa R. Soto
Board Secretary

Joel D. Kuperberg
General Counsel

NOTICE OF VACANCY

Effective December 9, 2014, a vacancy occurred on the Board of Directors of the Vista Irrigation District in Division 4.

Division 4 boundaries extend roughly to Highway 78 in the north, Morning Canyon Road/Via Cabrillo in the west, Lionshead Avenue in the south, and Melrose/Lupine Hills/Shadowridge Drive in the east.

Interested persons who are registered voters and reside within the boundaries of Division 4 may contact the District's Board Secretary at (760) 597-3128 for an application or for any other information. If interested, please call the District to verify that you are a resident of the Division.

Deadline for applications is January 6, 2015 at 3:00 p.m.



1391 Engineer Street, Vista, CA 92081-8840

NEWS RELEASE

Media Contacts:

Brett Hodgkiss
(760) 597-3162
bhodgkiss@vid-h2o.org

December 18, 2014

VISTA IRRIGATION DISTRICT LOOKS TO FILL BOARD OF DIRECTORS VACANCY

Interested parties must submit an application by 3:00 PM on January 6, 2015.

Vista, CA—

The Vista Irrigation District (VID) board of directors is looking for a new director to replace John Franklin, who was elected to serve on the Vista City Council.

Franklin represented division 4, whose boundaries extend roughly to Highway 78 in the north; Morning Canyon Road/Via Cabrillo in the west; Lionshead Avenue in the south; and Melrose/Lupine Hills/ Shadowridge Drive in the east. He was elected to the board in 2012.

At the December 17, 2014 board meeting, the remaining four directors decided to fill the vacancy by appointing a replacement (at a future board meeting), who will serve until the next general election in November 2016. Whoever is appointed can run in 2016 for a regular four-year term, which will end in December 2020.

Applications must be submitted to the District headquarters by 3:00 PM on January 6, 2015. There are no special qualifications for the position; however, directors must be voters and live within the division they represent. Information on applying and a map of division 4 may be obtained on the district's website, www.vid-h2o.org, or at the district office located at 1391 Engineer Street in Vista. The telephone number is (760) 597-3128.

The board of directors could have decided not to fill the vacancy via appointment and called for a special election to fill the unexpired term, which would have cost the district up to \$110,000. If the position is not filled within six months, the decision would be deferred to the County of San Diego board of supervisors.

The board generally meets on the first and third Wednesdays of each month at 8:30 a.m. Other members of the board are president Jo MacKenzie, (division 5), vice-president Richard Vásquez (division 2), Marty Miller (division 1) and Paul Dorey (division 3).

The Vista Irrigation District is a public agency governed by an elected five-member board. The district provides water service to more than 124,000 people in the city of Vista, and portions of San Marcos, Escondido, Oceanside, and unincorporated areas of the county of San Diego. The district owns Lake Henshaw and about 68 square miles around the lake. VID and the city of Escondido share facilities that bring water from Lake Henshaw through Lake Wohlford to a treatment plant jointly-owned by the two agencies near Lake Dixon.

#



1391 Engineer Street • Vista, California 92081-8836
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Richard L. Vasquez

Administrative Staff
Roy A. Coox
General Manager
Eldon L. Boone
Assistant General Manager
Lisa R. Soto
Board Secretary
Joel D. Kuperberg
General Counsel

STATEMENT OF QUALIFICATIONS FOR DIRECTOR
VISTA IRRIGATION DISTRICT BOARD OF DIRECTORS
FOR TERM ENDING DECEMBER 2016

NAME _____

ADDRESS _____

PHONE NUMBER _____ EMAIL ADDRESS _____

DATE _____

1. How long have you been a resident of Vista?

2. Why do you feel you are qualified to perform as a Director of this District?



1391 Engineer Street • Vista, California 92081-8836
Phone (760) 597-3100 • Fax (760) 598-8757

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General Counsel

INSTRUCTIONS FOR APPLICANTS
Division 4 Vacancy – Vista Irrigation District

Thank you for your interest in the Division 4 vacancy on the Vista Irrigation District Board of Directors. In order to apply to be considered for appointment to the seat, please complete the attached statement of qualifications form. Please answer the questions as completely as possible. You may submit a letter, resume, bio or other materials but the statement of qualifications form must be included.

Applicants must reside within the boundaries of Division 4.

Your application must be received by the District by 3:00 p.m. on January 6, 2015.

If you have questions, please contact the District's Board Secretary at (760) 597-3128.



Agenda Item: 11

STAFF REPORT

Board Meeting Date: January 7, 2015
Prepared By: Roy Coox

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

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



STAFF REPORT

Agenda Item: 12.A

Board Meeting Date: January 7, 2015
Prepared By: Lisa Soto
Approved By: Roy Coox

SUBJECT: REPORTS ON MEETINGS AND EVENTS ATTENDED BY DIRECTORS

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



STAFF REPORT

Board Meeting Date: January 7, 2015
Prepared By: Marian Schmidt
Approved By: Roy Coox

SUBJECT: SCHEDULE OF UPCOMING MEETINGS AND EVENTS AND DIRECTORS ATTENDING

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	AB 1234 Ethics Compliance Training (CSDA) <i>Free through Mar. 2, 2015 on a computer of your choice.</i> <i>Contact Marian Schmidt for log-on instructions</i>	
2	Harassment Prevention Training AB 1825 Webinar (CSDA) <i>Jan. 14, 2015, 10:00 a.m. – 12:00 p.m.</i> <i>Registration deadline: 1/9/15</i>	
3	Vista Chamber of Commerce Sundowner <i>Jan. 14, 2015, 5:00 p.m. – 7:00 p.m. – Hyatt Place (2645 Melrose S. Melrose Dr.)</i>	
4	Introduction to Good Governance Principles (CSDA) <i>Jan. 15, 2015 – Western Municipal Water District, Riverside</i> <i>Registration deadline: 1/12/15</i>	
5	Introduction to Good Governance Principles (CSDA) <i>Jan. 22, 2015 – Municipal Water District of Orange County, Fountain Valley</i> <i>Registration deadline: 1/20/15</i>	
6	Colorado River Aqueduct System Tour (SDCWA & MWD) <i>Jan. 24-25, 2015 – Meets at SDCWA</i> <i>Reservation deadline: First come, first serve basis</i>	
7	Special District Leadership Academy Conference (CSDA) <i>Jan. 25-28, 2015 – Embassy Suites Napa Valley, Napa</i> <i>Registration deadline: 1/21/15</i>	
8	State of the Community Luncheon <i>Jan. 26, 2015, 11:00 a.m. – 1:00 p.m. – Vista Civic Center</i> <i>Reservation deadline: None</i>	
9	Rules of Order Made Easy Webinar (CSDA) <i>Jan. 29, 2015, 10 a.m. – 12:00 p.m.</i> <i>Registration deadline: 1/27/15</i>	
10	The Essential Guide to the Brown Act Webinar (CSDA) <i>Feb. 10, 2015, 10:00 a.m. – 12:00 p.m.</i> <i>Registration deadline: 2/6/15</i>	
11	Understanding Board Member & District Liability Issues (CSDA) <i>Feb. 18, 2015, 10:00 a.m. – 12:00 p.m.</i> <i>Registration deadline: 2/13/15</i>	
12	GRA Symposium <i>Feb. 18-19, 2015 – Renaissance Long Beach Hotel</i> <i>Registration deadline: 2/11/15</i>	
13	State Water Project/Bay Delta Tour (SDCWA & MWD) <i>Feb. 21-22, 2015 – Meets at SDCWA</i> <i>Reservation deadline: First come, first serve basis</i>	

14	Introduction to Special District Finances Webinar (CSDA) <i>Feb. 26, 2015, 10:00 a.m. – 12:00 p.m.</i> <i>Registration deadline: 2/24/15</i>	
15	ACWA 2015 Legislative Symposium <i>Mar. 4, 2015 – Sacramento Convention Center</i>	MacKenzie
16	Required Ethics Compliance Training AB 1234 Webinar (CSDA) <i>Mar. 4, 2015, 10:00 a.m. – 12:00 p.m.</i> <i>Registration deadline: 3/2/15</i>	
17	Urban Water Institute Spring Water Conference <i>Mar. 4-6, 2015, Hilton Palm Springs Hotel</i> <i>Reservation deadline: 2/26/15</i>	
18	WaterReuse California Annual Conference (Water Education Foundation) <i>Mar. 15-17, 2015 - Millennium Biltmore Hotel, Los Angeles</i> <i>Registration deadline: 1/29/15</i>	
19	California Water Policy 24 Conference <i>Mar. 19-20, 2015–The Roberts Environmental Center at Claremont McKenna College</i> <i>Registration deadline: 2/27/15</i>	
20	State Water Project/Bay Delta Tour (SDCWA & MWD) <i>Mar. 20-22-2015 – Meets at SDCWA</i> <i>Reservation deadline: Registration not open</i>	
21	Governance Foundations (CSDA) <i>Mar. 24, 2015 – Hilton Sacramento Garden West, Sacramento</i> <i>Registration deadline: 3/20/15</i>	
22	Legislative Roundup Webinar (CSDA) <i>Mar. 26, 2015, 10:00 a.m. – 12:30 p.m.</i> <i>Registration deadline: 3/24/15</i>	
23	Introduction to Good Governance Principles (CSDA) <i>Apr. 16, 2015 – McKinleyville Community Services District, McKinleyville</i> <i>Registration deadline: 4/14/15</i>	
24	Hoover Dam & Colorado River Aqueduct Tour (SDCWA & MWD) <i>Apr. 18-19, 2015 – Meets at SDCWA</i> <i>Reservation deadline: Registration not open</i>	
25	Colorado River Aqueduct System Tour (SDCWA & MWD) <i>May 1-2, 2015 – Meets at SDCWA</i> <i>Reservation deadline: Registration not open</i>	
26	ACWA Spring Conference <i>May 5-8, 2015 – Sacramento Convention Center</i> <i>Reservations deadline: TBD</i>	
27	CSDA Special District Legislative Days <i>May 19-20, 2015 – The Grand (across from The Sheraton Grande, Sacramento)</i> <i>Registration deadline: 5/15/15</i>	
28	Staying in Compliance: Understanding Fundamental Laws (CSDA) <i>June 3, 2015 – CSDA Training Center, Sacramento</i> <i>Registration deadline: 6/1/15</i>	
29	Harassment Prevention Training AB 1825 Webinar (CSDA) <i>June, 10, 2015, 10:00 a.m. – 12:00 p.m.</i> <i>Registration deadline: 6/8/15</i>	
30	Setting Direction/Community Leadership (CSDA) <i>July 22, 2015, 8:30 a.m. – 4:00 p.m. – CSDA Training Center, Sacramento</i> <i>Registration deadline: 7/20/15</i>	
31	Legislative Roundup Webinar (CSDA) <i>July 30, 2015, 10:00 a.m. – 12:30 p.m.</i> <i>Registration deadline: 7/28/15</i>	
32	Board Member & District Liability Issues Webinar (CSDA) <i>Aug. 12, 2015, 10:00 a.m. – 12:00 p.m.</i> <i>Registration deadline 8/10/15</i>	

33	Understanding the Brown Act: Beyond the Basics Webinar (CSDA) <i>Aug. 20, 2015, 10:00 a.m. – 12:00 p.m.</i> <i>Registration deadline: 8/18/15</i>	
34	CSDA Annual Conference <i>Sept. 21-24, 2015 – Hotel location TBD, Monterey</i>	
35	Urban Water Institute Annual Water Conference <i>Aug. 26-28, 2015 – Hilton San Diego Resort</i> <i>Registration deadline: TBD</i>	
36	ACWA Fall Conference <i>Dec. 1-4, 2015–Renaissance Esmeralda/Hyatt Grand Champions Hotel, Indian Wells</i> <i>Reservations deadline: TBD</i>	

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

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

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



Agenda Item: 13

STAFF REPORT

Board Meeting Date: January 7, 2015
Prepared By: Lisa Soto

SUBJECT: ITEMS FOR FUTURE AGENDAS AND/OR PRESS RELEASES

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

Staff-generated list of tentative items for future agendas:

- Committee appointments
- Investment Policy Update
- Recycled water project update
- New groundwater legislation update
- District website
- Drought update

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

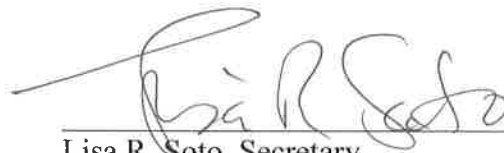
A REGULAR MEETING OF THE BOARD OF DIRECTORS OF VISTA IRRIGATION DISTRICT, HELD ON JANUARY 7, 2015, WAS ADJOURNED UNTIL 9:00 AM, JANUARY 21, 2015, AT THE OFFICE OF THE VISTA IRRIGATION DISTRICT, 1391 ENGINEER STREET, VISTA, CALIFORNIA.

* * * * *

AFFIDAVIT OF POSTING ORDER OF ADJOURNMENT OF MEETING

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)

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



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

POSTED: January 7, 2015