

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

January 4, 2017

A Regular Meeting of the Board of Directors of Vista Irrigation District was held on Wednesday, January 4, 2017 at the offices of the District, 1391 Engineer Street, Vista, California.

1. CALL TO ORDER

President Miller called the meeting to order at 8:30 a.m.

2. ROLL CALL

Directors present: Miller, Vásquez, Dorey and MacKenzie.

Directors absent: Reznicek.

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

Other attendees: Daphne Munoz, of White Neilson Diehl Evans LLP and Special Counsel John Carter.

3. PLEDGE OF ALLEGIANCE

Director Dorey led the pledge of allegiance.

4. APPROVAL OF AGENDA

17-01-01	<i>Upon motion by Director Vásquez, seconded by Director Dorey and unanimously carried (4 ayes: Miller, Vásquez, Dorey, and MacKenzie; 1 absent: Reznicek), the Board of Directors approved the agenda as presented.</i>
----------	--

5. PUBLIC COMMENT TIME

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

6. CONSENT CALENDAR

17-01-02	<i>Upon motion by Director Dorey, seconded by Director Vásquez and unanimously carried (4 ayes: Miller, Vásquez, Dorey, and MacKenzie; 1 absent: Reznicek), the Board of Directors approved the Consent Calendar, including Resolution No. 17-01 approving disbursements.</i>
----------	---

A. ACWA/JPIA President's Special Recognition Award

See staff report attached hereto. The Board noted and filed this report which was provided for information only.

B. Grant of Right of Way and Quitclaim of Easement

See staff report attached hereto. Staff recommended and the Board accepted Grant of Right of Way No. B100 for a specific easement and approved Quitclaim Deed No. 663 quitclaiming a portion of Specific Easement No. FM25 over residential property consisting of approximately 3.07 gross acres owned by Boshard Family Trust, located at 1850 Robinhood Road, Vista (LN 2014-016 & 040; D-2259 & D-2269; APN 184-102-50; DIV NO 5).

C. Minutes of Board of Directors meeting on December 7, 2016

The minutes of December 7, 2016 were approved as presented.

D. Resolution ratifying check disbursements

RESOLUTION NO. 17-01

BE IT RESOLVED, that the Board of Directors of Vista Irrigation District does hereby approve checks numbered 54831 through 55054 drawn on Union Bank totaling \$1,601,686.77.

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 4th day of January 2017.

7. FISCAL YEAR 2016 AUDIT

See staff report attached hereto.

Finance Manager Kelleher said that the auditors were very helpful in implementing Governmental Accounting Standards Board (GASB) 68 for new accounting pronouncements related to the recording of retirement pensions. Ms. Kelleher introduced Daphne Munoz, a Partner at White Nelson Diehl Evans LLP. Ms. Munoz reviewed the audit procedures and presented an overview of the audit results. She stated that upon review of the District's financial statements and best practices, the highest opinion possible was issued based on having found no material weaknesses involving the District's internal control structure or its operation. Ms. Munoz noted that a couple of retirement date discrepancies were found in some of the census data that was provided to the actuary earlier in the year. She said that it was recommended to staff that procedures be established to ensure that census data provided to the actuary is accurate.

General Manager Eldon Boone explained that the dates that were incorrect were provided only for actuarial purposes. He stated that the incorrect dates in no way affected any retirement benefits. Mr. Boone said that the dates for all employees and retirees have been reviewed for accuracy, and procedures have been instituted to avoid this type of error in the future.

The Board thanked Ms. Munoz and staff for its good work.

17-01-03 *Upon motion by Director MacKenzie, seconded by Director Dorey and unanimously carried (4 ayes: Miller, Vásquez, Dorey, and MacKenzie; 1 absent: Reznicek), the Board of Directors accepted the Fiscal Year 2016 audit report by White Nelson Diehl Evans LLP.*

Ms. Munoz left the meeting at this time.

8. FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2016

See staff report attached hereto.

Mr. Boone stated that the purpose of this report is to compare the District's budget to actual revenues and expenses. Ms. Kelleher provided an overview of the report stating that the District experienced a \$3.3 million operating gain in fiscal year 2016. She noted that the District purchased \$18.7 million of imported water from the San Diego County Water Authority. Clarifications were provided as needed.

Senior Accountant Susan Montgomery left the meeting following the above discussion.

9. DIVISION REPORTS

See staff report attached hereto.

Mr. Boone pointed out that the last page of the Division Report contained a summary sheet showing the HP Reservoir Rehabilitation Project construction cost estimate and bid summary. He recalled that the Board requested this information be provided monthly with the Division Reports. The Board expressed satisfaction with the format of the report.

Engineering Project Manager Randy Whitmann updated the Board on the HP Reservoir Rehabilitation Project, stating that demolition is expected to begin at the end of January. He also provided an update regarding the Flume Relocation Project, stating that Phase 1, work on the relocation area, began in November. Mr. Whitmann said that Phase 1 will continue through January; following a ten-day aqueduct shut-down in February, Phase 2, installation of new pipe in the existing flume alignment, will begin. Phase 2 is expected to be completed by May 2017.

Assistant General Manager Brett Hodgkiss updated the Board regarding a ribbon cutting/kick-off event for a new hydration station at Monte Vista Elementary School. He stated that the ceremony will be brief, with speakers to include the Principle of the school, a representative from the Vista Unified School District Nutrition Services and the District's Water Conservation Specialist Brent Reyes.

Director of Water Resources Don Smith provided clarification on the Lake Henshaw Resort Activity Report regarding the line-item for "Hunters". He stated that this line-item only represents duck hunting on Lake Henshaw. All other hunting on the Warner Ranch is managed by My Country Club Inc., a sublessee of Lake Henshaw Resorts, Inc.

Director of Engineering Brian Smith provided clarification regarding the flume historical documentation being prepared by Helix Environmental. He noted photo documentation has been completed, and a report is being prepared. Mr. Smith said that when complete, the Board will receive a full report.

10. PROPERTY ANNEXATION TO THE DISTRICT

See staff report attached hereto.

Mr. Boone said that this item is only to approve this annexation in concept. Mr. Boone said that if the concept is approved, a final approval will be sought from the Board in the future. Mr. Boone provided information regarding the annexation.

17-01-04 *Upon motion by Director Vásquez, seconded by Director MacKenzie and unanimously carried (4 ayes: Miller, Vásquez, Dorey, and MacKenzie; 1 absent: Reznicek), the Board of Directors approved in concept, the annexation of a portion of a vacant residential parcel consisting of approximately .57 acres owned by Carole Ann Ross Haller Living Trust, located at Camino De Las Lomas, Vista (CF 500-367; LN 2016-014; APN 178-210-18; DIV NO 5). This approval entails a waiver of existing District policy regarding annexations and sphere of influence.*

11. REQUEST FOR PROPOSAL FOR APPRAISAL SERVICES

See staff report attached hereto.

Mr. Boone recalled that the Board previously declared the property on Pipeline Drive surplus and directed staff to send a notification letter to local public and non-profit entities in accordance with the law. He said that the notification letter has been sent to the four agencies listed in the staff report. Mr. Boone said that the Board also requested to review the Request for Proposal (RFP) for appraisal services before it was sent to qualified firms. Mr. Boone asked if the Board had any comments or revisions to the RFP. The Board expressed satisfaction with the RFP.

Director MacKenzie requested that when this matter comes back to the Board that detailed information regarding the responsiveness of the firms and their bids be provided. She also asked that the Board be provided with staff's rationale for its recommendation. Mr. Boone responded affirmatively, adding that staff's recommendation will not be based solely on price; responsiveness of the proposal will also be an important factor.

17-01-05 *Upon motion by Director Vásquez, seconded by Director Dorey and unanimously carried (4 ayes: Miller, Vásquez, Dorey, and MacKenzie; 1 absent: Reznicek), the Board of Directors approved the request for proposal for appraisal services for the District's vacant property located north of Pipeline Drive.*

12. RECYCLED WATER PROJECT

See staff report attached hereto.

Mr. Boone said that while the Shadowridge Golf Course (Golf Course) would have been an ideal recipient of recycled water from the North San Diego County Regional Recycled Water Project, the Golf Course has drilled its own well and removed approximately 20 acres of natural grass. As a result, the District no longer has a viable recycled water project, and staff is recommending that the District's share of grant funding be transferred to the City of Oceanside (Oceanside).

The grant funding will assist Oceanside in extending its recycled water distribution system to points where it could serve District customers in the future. Mr. Boone said that if the funds are not redirected to another agency such as Oceanside, they will have to be returned to the State of California. The Board discussed the potential future benefit of Oceanside's recycled water project for District customers.

17-01-06 *Upon motion by Director MacKenzie, seconded by Director Vásquez and unanimously carried (4 ayes: Miller, Vásquez, Dorey, and MacKenzie; 1 absent: Reznicek), the Board of Directors authorized the General Manager to execute an agreement to transfer Proposition 85 grant funds totaling \$392,965 to the City of Oceanside.*

Brian Smith left the meeting at this time.

13. WARNER RANCH HUNTING CONCESSION

See staff report attached hereto.

Mr. Don Smith clarified that that this agenda item involves two agreements: 1) the concession management agreement with Lake Henshaw Resorts, Inc., and, 2) the sub-lease agreement between Lake Henshaw Resorts, Inc. and My Country Club, Inc. Mr. Smith said that the fiscal impact of these two amendments would increase the revenue received from the hunting concession by \$45,000, \$40,000 for the proposed "put and take" hunting and \$5,000 for the proposed water fowl hunting on Swan Lake.

Mr. Boone stated that the District is in its final year of the concession management agreement with Lake Henshaw Resorts, Inc. In accordance with the agreement, the Mendenhalls have notified the District of their desire to continue as the District's concessionaire at Lake Henshaw. Mr. Boone said that during the course of the year, staff will focus on preparing for the renewal of this agreement. He suggested that for the Board's spring inspection tour of Lake Henshaw and the Warner Ranch the tour focus on the activities and operations of the Resort. Mr. Boone said that, if approved, the new hunting practices would be on a trial basis through the end of 2017; the new hunting practices may or may not be incorporated into the new agreement.

Mr. Smith provided background on the two proposed new hunting activities: 1) "put and take" hunting of commercially raised pheasants and game birds in select areas of the Warner Ranch; and, 2) water fowl hunting on Swan Lake. Mr. Boone handed out a map to aid in the discussion which illustrated the proposed areas for the different types of hunting (attached hereto as Exhibit A).

The Board discussed the proposed season for "put and take" hunting and agreed upon to two trial periods for calendar year 2017. The first trial period will begin in January and cease with the commencement of the spring turkey hunting season, typically towards the end of March. The second trial period will be from September 1 to December 31. Upon review of the map, the Board elected not to allow "put and take" hunting in the area known as Monkey Hill and not allow duck and water fowl hunting on Swan Lake.

The Board discussed the concept of water fowl hunting on Swan Lake, and the proposed fees and limits for these activities. The Board expressed concern for any type of hunting on Swan Lake and determined that it would not be in the best interest of the District to allow it.

17-01-07

Upon motion by Director MacKenzie, seconded by Director Dorey and carried (3 ayes: Miller, Dorey, and MacKenzie; 1 no: Vásquez; 1 absent: Reznicek), the Board of Directors authorized the staff to negotiate and execute an Eighth Amendment to the Lake Henshaw Resort Concession Management Agreement for “put and take” hunting on a trial basis in 2017, from January until the start of the spring turkey hunting season, generally, in late March; and from September 1 through December 31; these activities are to be limited to the areas shown on the map (Exhibit A), excluding Monkey Hill and Swan Lake.

Special Counsel John Carter arrived during the above discussion. To accommodate Mr. Carter’s schedule, President Miller reordered the agenda, moving Items 22 and 23 to be entertained next. President Miller called for a brief break before moving on to Agenda Item 22.

A break was taken from 10:25 a.m. to 10:32 a.m. Upon return from break, present in the audience were John Carter, Marlene Kelleher, Don Smith and Frank Wolinski.

22. STATUS OF SAN LUIS REY INDIAN WATER RIGHTS SETTLEMENT IMPLEMENTATION

See staff report attached hereto.

Special Counsel John Carter updated the Board regarding the status of the San Luis Rey Indian Water Rights Settlement. Mr. Carter noted that both the Settlement Agreement and the Implementing Agreement have been signed. Mr. Carter stated that the Associate Attorney General has signed the addendum to the Settlement Agreement, and it is now on the desk of the Secretary of State awaiting signature, which will finalize these documents.

Mr. Boone said that a lot of work by many people went into getting these documents finalized. Mr. Boone said the District has paid its share of a success fee to Wilmer Hale, which was set forth in the Wilmer Hale contract. Mr. Boone thanked Mr. Carter for all of his efforts resulting in this monumental accomplishment.

Mr. Carter reviewed the outstanding items in the critical path to final settlement. He said that a certification of how the funds will be distributed from the San Luis Rey Tribal Development Fund to the Tribes from the Office of Management and Budget is pending. He stated the maps for the existing Indian and Federal rights-of-way (separate from the San Pasqual Undergrounding Project) have been completed and will be attached to the Stipulation as Exhibit 1. Mr. Carter said that the grants of rights-of-way have been issued for the San Pasqual Undergrounding Project, and it is currently going through the recording process in Sacramento. The maps for the San Pasqual Undergrounding Project will be attached to the Stipulation as Exhibit 2.

Mr. Carter stated that a condition of the Implementing Agreement was to have a US District Court approve the settlement, dismiss the existing actions and continue to retain jurisdiction should any disputes arise between the Bands and the Local Entities; final disposition of this matter is pending. He said that another condition in the Implementing Agreement is to have the Federal Energy Regulatory Commission (FERC) dismiss the conduit exemption and license surrender proceedings. Mr. Carter said that dismissal by FERC should be fairly ministerial, since FERC issued a conditional order in 2012 saying that it will dismiss the proceedings upon Final Settlement of the Indian Water Rights matter.

23. CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL—EXISTING AND ANTICIPATED LITIGATION

President Miller adjourned the meeting to closed session at 11:02 p.m. for a conference with legal counsel to discuss the following:

- A. Existing Litigation per Government Code section 54956.9(d)(1): Rincon Band of Mission Indians, et al v. Escondido Mutual Water Company, et al., etc., US District Court S.D. CA No. 69-cv-217-WQH-KSC (San Luis Rey Indian Water Rights Litigation) (Settlement)
- B. Anticipated Litigation per Government Code section 54956.9(d)(4): One potential case.

The meeting reconvened in open session at 11:50 a.m. President Miller declared that no reportable action had been taken.

14. DISTRICT COMMITTEES AND REPRESENTATIVES TO OUTSIDE ORGANIZATIONS

See staff report attached hereto.

President Miller said that a draft of the Board Committee assignments was provided at each of the Board members' places at the dais (attached hereto as Exhibit B). He noted that he received one request from a Board member for a specific committee assignment, which was reflected in the draft. He said that the rest of the assignments were made in the interest of equity, and if anyone wished any changes to let him know at this time. No further requests were made.

17-01-08	<i>Upon motion by Director MacKenzie, seconded by Director Dorey and unanimously carried (4 ayes: Miller, Vásquez, Dorey, and MacKenzie; 1 absent: Reznicek), the Board of Directors ratified the committee and outside organization appointments for 2017, made by President Miller.</i>
----------	---

15. CONFLICT OF INTEREST CODE

See staff report attached hereto.

The Board received a few brief clarifications by General Counsel Kuperberg regarding the proper reporting of investments on the Form 700. Out of consideration for Director Reznicek's absence, the Board elected to table this discussion until the next Board meeting.

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

See staff report attached hereto.

President Miller reported that there had been no meeting of the San Diego County Water Authority board since his last report. Mr. Boone reported that the comment period for the draft regulations from the State Water Resources Control Board had closed and the next draft is expected to be issued on January 20th.

17. MEETINGS AND EVENTS

See staff report attached hereto.

Director Dorey reported that, as Past Chair of the Council of Water Utilities (COWU), he was asked to participate on the Committee to appoint a new Vice Chair. Director Dorey said that since Chair Chuck Muse resigned, Vice Chair Betty Evans moved into the Chair position, leaving the Vice Chair position vacant at this time.

Director Vásquez reported on his attendance at the Colorado River Water Users Association (CRWUA) Conference. He said that he had to leave the conference early due to illness. He requested forgiveness of any prepayment which may have been lost due to his early departure. He noted that the hotel was kind enough to issue a credit for the unused night, which can be used at a future date. Director Vásquez said that he attended a few presentations by Justice Gregory Hobbs, which were very good.

Director MacKenzie reported on her attendance at the CRWUA Conference where she also enjoyed a presentation by Justice Hobbs regarding the history of the Colorado River. She also found a session on Minute Order 319 regarding the sharing of the Colorado River very interesting.

President Miller also reported on his attendance at the CRWUA and concurred with his fellow Board member’s assessments of the presentations.

Directors Dorey and Vásquez requested to attend COWU on January 17, 2017. Director Vásquez noted that on January 23 he would be attending a meeting of the Association of California Water Agencies (ACWA) Region 10 Board of Directors. Director MacKenzie requested to attend ACWA State Legislative Committee meetings in 2017 as well as the ACWA Legislative Symposium on March 8, 2017. President Miller requested to attend the Vista Chamber of Commerce State of the Community Luncheon on January 23, 2017.

16-01-09 *Upon motion by Director Vásquez, seconded by Director Dorey and unanimously carried (4 ayes: Miller, Vásquez, Dorey, and MacKenzie; 1 absent: Reznicek), the Board of Directors authorized the following: Directors Dorey and Vasquez to attend COWU on January 17 in Poway; Director MacKenzie to attend the ACWA State Legislative Committee meetings for 2017 in Sacramento; President Miller to attend the Vista Chamber State of the Community Luncheon on January 23 in Vista; Director MacKenzie to attend the ACWA Legislative Symposium on March 8 in Sacramento; and forgiveness of any lost funds related to Director Vásquez’ early departure from the CRWUA due to illness.*

18. ITEMS FOR FUTURE AGENDAS AND/OR PRESS RELEASES

See staff report attached hereto.

Mr. Boone said that a revised Investment Policy would be on an upcoming agenda for the Board’s consideration, and the Conflict of Interest Code item would be brought back for further discussion the next Board meeting.

19. COMMENTS BY DIRECTORS

Director MacKenzie inquired as to the status of the agreement with Packard Government Affairs (PGA) which recently expired. Mr. Boone said that the agreement is a four-party agreement between the District, the City of Escondido (Escondido), and the San Luis Rey Indian Water Authority. Mr. Boone said that he spoke with the City Attorney for Escondido, and as far as the District and Escondido are concerned, there is no need to renew the PGA agreement. Mr. Boone said that the District will be sending a letter to PGA expressing appreciation and thanks for all of its assistance in negotiating the Indian Water Rights Settlement over years.

Director Dorey complimented staff on a job well done with the recent Employee Appreciation breakfast and congratulated Director MacKenzie on her 24 years as a Director for the District.

20. COMMENTS BY GENERAL COUNSEL

None were presented.

21. COMMENTS BY GENERAL MANAGER


Mr. Boone informed the Board that the recent rain resulted in an increase of 1,000 acre feet of water in Lake Henshaw. The Lake level is now seven percent of capacity at 3,869 acre feet. Mr. Boone updated the Board regarding water quality testing for lead in schools. The State Water Board had planned to issue amended permits requiring all community water systems to test for lead in all schools in their service area if requested to do so by school officials. Mr. Boone said that the amended permits have not been issued, and the matter has been placed on hold until further notice.

24. ADJOURNMENT

There being no further business to come before the Board, at 12:29 p.m. President Miller adjourned the meeting to January 18, 2017 at 8:30 a.m.


Marty Miller, President

ATTEST:



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



STAFF REPORT

Agenda Item: 6.A

Board Meeting Date:	January 4, 2017
Prepared By:	Sherry Thorpe
Reviewed By:	Brett Hodgkiss
Approved By:	Eldon Boone

SUBJECT: ACWA/JPIA PRESIDENT'S SPECIAL RECOGNITION AWARD

RECOMMENDATION: For information only.

PRIOR BOARD ACTION: None.

FISCAL IMPACT: None.

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

DETAILED REPORT: The ACWA/JPIA President's Special Recognition Award acknowledges the District's efforts in maintaining our low loss ratio in the ACWA/JPIA's Property Program for the annual policy periods of 2012 to 2015. The receipt of this award is an acknowledgment that the District, with assistance from ACWA/JPIA staff, is continuing its efforts to proactively limit its exposure to property claims. These coordinated activities coupled with an actively involved and dedicated workforce have resulted in a favorable loss to premium ratio; as a result, associated property premium costs have remained low.

ATTACHMENT: Award Certificate

President's Special Recognition Award

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

Vista Irrigation District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Property Program for the period 04/01/2012 - 03/31/2015
announced at the Board of Directors' Meeting in Anaheim.*



E. G. "Jerry" Gladbach, President



November 28, 2016



STAFF REPORT

Agenda Item: 6.B

Board Meeting Date: January 4, 2017
Prepared By: Al Ducusin
Reviewed By: Brian Smith
Approved By: Eldon Boone

SUBJECT: GRANT OF RIGHT OF WAY AND QUITCLAIM OF EASEMENT

RECOMMENDATION: That the Board accept Grant of Right of Way No. B100 for a specific easement and approve Quitclaim Deed No. 663 quitclaiming a portion of Specific Easement No. FM25 over residential property consisting of approximately 3.07 gross acres owned by Boshard Family Trust, located at 1850 Robinhood Road, Vista (LN 2014-016 & 040; D-2259 & D-2269; APN 184-102-50; DIV NO 5).

PRIOR BOARD ACTION:

- 06/14/14 Approved Meyer's Siphon Replacement (Budget 15-03) and Flume-Pressure Zone Loop (Budget 15-05) as part of Fiscal Year 2015 Budget.
- 01/21/15 Authorized the General Manager to enter into an Agreement for Services with Infrastructure Engineering Corporation (IEC) for the AB Line and Meyer's Siphon projects.

FISCAL IMPACT: None.

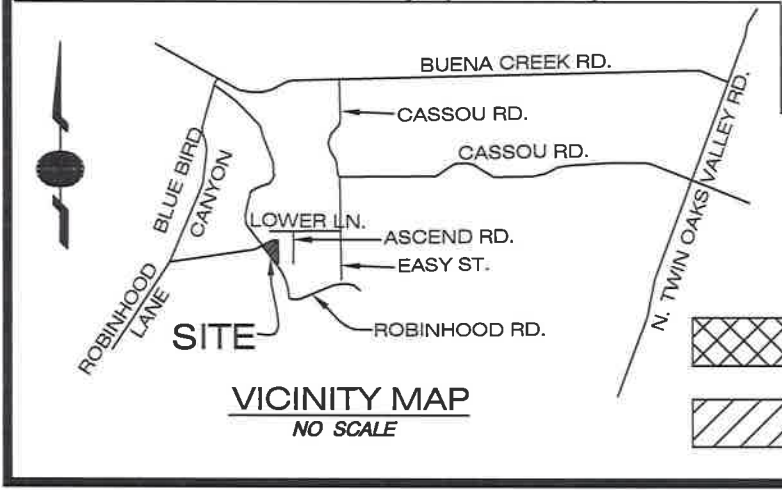
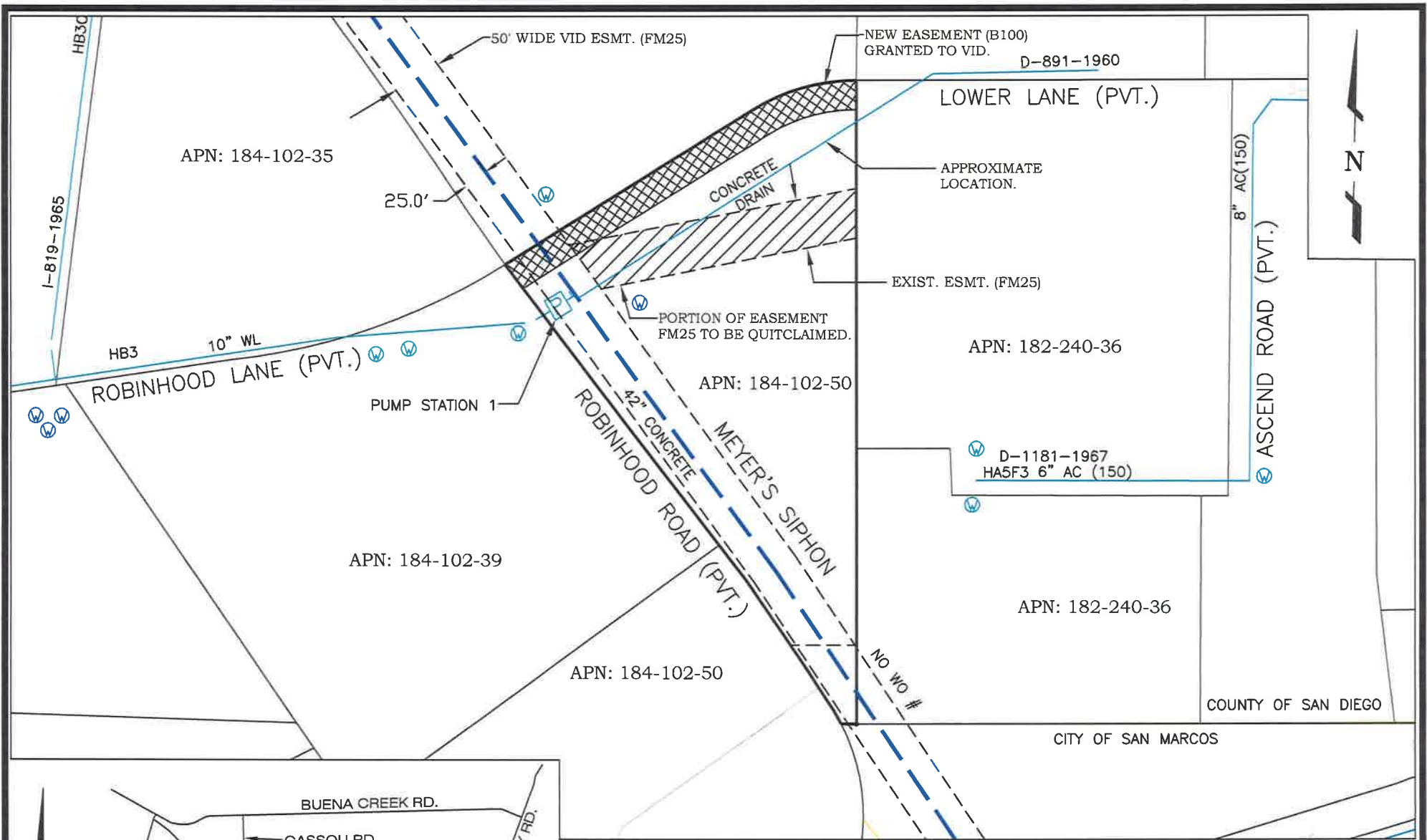
SUMMARY: The acceptance of Grant of Right of Way No. B100 will allow the District to secure a dedicated 30 foot specific easement for a future waterline and drain line to be installed within a dedicated easement granted to District. The approval of Quitclaim Deed No. 663 will quitclaim a portion of Specific Easement No. FM25 encumbered on APN 184-102-50 which is no longer needed.

DETAILED REPORT: The owners have requested that a portion of Specific Easement No. FM25 be quitclaimed from their property located at 1850 Robinhood Road in exchange for granting the District a new specific easement via Grant of Right of Way No. B100.

The District is in the process of designing a pressure zone loop and drain line as part of the Meyer's Siphon Replacement Project (D-2259 & D-2269). Staff and the owners concur that the new easement location is a better alignment through the owner's property for the proposed District's facilities.

The property located east of the subject property is encumbered by District Blanket Easement No. B6.

ATTACHMENTS: See attached map.



OWNER:
 STEVEN M. BOSHARD &
 JENNIFER E. BOSHARD
 832 CAPE BRETON ROAD
 VISTA, CA 92084

- INDICATES EASEMENT B100 TO BE GRANTED TO VID.
- INDICATES PORTION OF VID EASEMENT (FM25) TO BE QUITCLAIMED.

VISTA IRRIGATION DISTRICT
GRANT OF RIGHT OF WAY (B100)
AND QUITCLAIM NO. 663

APN	184-102-50	T.B.	1102-F2
SCALE	NONE	L.N.	2014-016 & 040
APPD. BY	<i>MS</i>	DATE	12/16/16 W.O.
DRAWN BY	<i>M.S.</i>	DATE	12/09/16 D-2259/
SHEET	1 OF 1	MAP	L18 D-2269
REVISED			
PATH Z:\Engineering\JOBS\D-JOBS\D-2259\Boshard_Easement_Quitclaim			

Cash Disbursement Report



Payment Dates 11/23/2016 - 12/21/2016

Payment Number	Payment Date	Vendor	Description	Amount
54831	11/30/2016	Refund Check 54831	Customer Refund	143.72
54832	11/30/2016	AT&T	Calnet3 10/13/16-11/12/16	990.59
54833	11/30/2016	Boot World Inc	Footwear Program	171.05
54834	11/30/2016	Cass Construction, Inc	Flume Relocation Progress Billing 10/2016	398,074.70
54835	11/30/2016	CDW Government Inc	Case Logic Slim Case for Tablets (3)	75.16
	11/30/2016		CA Recycling Fee (3)	9.00
	11/30/2016		Surface Pro 4 Type Cover and Keyboard (3)	360.30
	11/30/2016		Surface Pro 4 (3)	4,919.25
54836	11/30/2016	Cecilia's Safety Service Inc	Traffic Control - Franklin Lane	1,360.00
	11/30/2016		Traffic Control - Hillside Terrace	1,895.00
	11/30/2016		Traffic Control - San Luis Rey Ave	2,015.00
	11/30/2016		Traffic Control - S Emerald Dr	665.00
	11/30/2016		Traffic Control - Branding Iron	680.00
54837	11/30/2016	Certified Laboratories	Vertical Turbine Motor Oil	429.87
54838	11/30/2016	Coast Equipment Rentals	Mini Excavator Rental	1,953.33
	11/30/2016		Dump Truck Rental	204.46
54839	11/30/2016	CPS HR Consulting	Examinations for Laborer Recruitment	680.80
54840	11/30/2016	Diamond Environmental Services	Portable & Stationary Restroom Service	190.72
54841	11/30/2016	DIRECTV	Direct TV Service	73.99
54842	11/30/2016	El Camino Rental	Dump Truck Rental	288.30
	11/30/2016		Concrete	162.75
	11/30/2016		Concrete	200.73
54843	11/30/2016	Glennie's Office Products Inc	Office Supplies	96.37
54844	11/30/2016	Grainger	Sump Pump	194.40
	11/30/2016		Tool Tray	126.54
54845	11/30/2016	Hawthorne Machinery Co	Bolts, Nuts, Tooth Carbide	117.67
54846	11/30/2016	HD Supply Waterworks	Cover 12" Valve Box Cast Iron	61.68
	11/30/2016		Adapter 8" Cast Iron POxFL	96.30
	11/30/2016		Meter Adapters (25)	461.13
54847	11/30/2016	InfoSend Inc	Mailing Service 10/2016	5,505.97
	11/30/2016		Processing Service 10/2016	2,287.11
	11/30/2016		Support & Storage 10/2016	1,087.52
54848	11/30/2016	Infrastructure Engineering Corporation	Plan Review Services for Flume Relocation 10/16	2,636.25
54849	11/30/2016	John Rauch	Reimbursement/D4 Certification Renewal	105.00
54850	11/30/2016	Major League Pest/Gemini Pest Control	Extermination Services on Alessandro Trail	85.00
54851	11/30/2016	Moody	Dump Fees (2)	400.00

Payment Number	Payment Date	Vendor	Description	Amount
54852	11/30/2016	North County Auto Parts	Tail Lamp - T22	25.48
	11/30/2016		LED Lights	101.90
	11/30/2016		Filters, Wiper Blades, Oil, Penetrate Spray	220.78
	11/30/2016		Filters, Oil, Window Washer Fluid	152.43
54853	11/30/2016	North County Ford	Engine Coolant Tank & Cap - Truck 66	105.28
54854	11/30/2016	North County Industrial Park	Association Fees - Pipeline Dr	256.40
54855	11/30/2016	North County Industrial Park	Association Fees - VID Headquarters	879.30
54856	11/30/2016	Pacific Pipeline Supply	Repair Clamps (2)	147.48
54857	11/30/2016	Parkhouse Tire Inc	Tire/ Mounting - Truck 51	466.86
54858	11/30/2016	Pollardwater	Digital Data Logger	549.67
54859	11/30/2016	Rancho Environmental Service	Removal of Eucalyptus Trees @ Deodar Reservoir	1,875.00
54860	11/30/2016	Raymond Handling Solutions Inc	Electric Forklift Service - F3	98.00
54861	11/30/2016	San Diego Gas & Electric	Electrical 11/2016 - Well Field	15,132.01
	11/30/2016		Electrical 10/2016 - Cathodic Protection	21.66
	11/30/2016		Electrical 10/2016 - T&D / Cathodic Protection	173.46
	11/30/2016		Electrical 10/2016 - Reservoirs	79.12
	11/30/2016		Electrical 10/2016 - Plants	6,624.05
	11/30/2016		Electrical 10/2016 - Stations	96.11
54862	11/30/2016	Stealth.Com	Stealth LPC-700F SCADA Computer	2,696.00
54863	11/30/2016	Statewide Traffic Safety and Signs, Inc	Custom Signs, Barracades	207.36
54864	11/30/2016	Sunrise Materials Inc	Concrete Tools	36.89
54865	11/30/2016	UniFirst Corporation	Uniform Service	336.94
54866	11/30/2016	Verizon Wireless	Aircards 10/13/16-11/12/16	76.02
54867	11/30/2016	VG Donuts & Bakery Inc	Meeting 11/23/16	28.08
54868	11/30/2016	Video Fact Documentation Service	Pre-construction Audio/Video	450.00
54869	11/30/2016	Volt	Temporary Service PE 11/06/2016	354.38
54870	11/30/2016	Vortex Industries Inc	Garage Roll-up Door Repair & Maintenance	1,111.56
54871	12/07/2016	Adco Underground Services	Potholing Services - Alessandro Trail	5,835.00
54872	12/07/2016	Airgas USA LLC	Oxygen & Acetylene - Welding Shop	303.31
54873	12/07/2016	Big Apple Bagels	Refreshments for Meeting	70.36
54874	12/07/2016	California Crane Safety Consulting	Crane Safety Inspections	2,650.00
54875	12/07/2016	Capital One Commercial	Refreshments for Training 11/14/16-11/16/16	160.67
54876	12/07/2016	Carlsbad Premium Outlets	Service Awards 2016	1,104.50
54877	12/07/2016	CDW Government Inc	Essential Supt for Backup Exec Media Server 1 Yr	170.28
	12/07/2016		Essential Supt for Backup Exec Apps & DB Agent 1Yr	1,702.80
	12/07/2016		Essential Supt for Backup Exec Windows Agent 1Yr	1,319.89
	12/07/2016		Lenovo ThinkPad 90W Slim AC Adapter	60.75
	12/07/2016		Lenovo ThinkPad 65W Slim AC Adapter	56.41
54878	12/07/2016	Cecilia's Safety Service Inc	Traffic Control - Happy Hill Dr	2,210.00
	12/07/2016		Traffic Control - Sugarbush Dr	1,190.00
	12/07/2016		Traffic Control - Mullen Way	1,360.00

Payment Number	Payment Date	Vendor	Description	Amount
	12/07/2016		Traffic Control - Westwood Rd	1,360.00
	12/07/2016		Traffic Control - Franklin Lane	1,730.00
54879	12/07/2016	City Of Escondido	Escondido Water Treatment Plant 09/2016 & 10/2016	255,113.00
54880	12/07/2016	City of Oceanside	Weese Treatment 10/2016	25,909.60
54881	12/07/2016	Direct Energy	Electric 10/2016 - VID	1,194.80
	12/07/2016		Electric 11/2016 - Henshaw Well Field	11,765.57
	12/07/2016		Electric 10/2016 - T & D / Cathodic Protection	50.85
	12/07/2016		Electric 10/2016 - Reservoirs	13.30
	12/07/2016		Electric 10/2016 - Pump Stations	3,736.14
	12/07/2016		Electric 10/2016 - Treatment Plants	31.35
54882	12/07/2016	El Camino Rental	Dump Truck Rental	1,755.60
	12/07/2016		Concrete	184.45
	12/07/2016		Dump Truck Rental	293.70
54883	12/07/2016	Electrical Sales Inc	Electrical Parts	253.41
54884	12/07/2016	Endicott Comm., Inc - CV	Paging Service	56.00
54885	12/07/2016	Escondido Metal Supply	Metal to Build Racks - Truck 21	239.46
54886	12/07/2016	Flyers Energy, LLC	Fuel	59.18
54887	12/07/2016	Glennie's Office Products Inc	Office Supplies	102.47
54888	12/07/2016	Grainger	Tool Tray Divider	126.54
54889	12/07/2016	Hach Company	Depolox Parts	153.41
	12/07/2016		Gasket	13.66
	12/07/2016		Lab Supplies	1,232.31
	12/07/2016		Analyzer Repair Kits	459.37
	12/07/2016		Tubing Kit	45.06
	12/07/2016		F-Probe	(857.16)
54890	12/07/2016	Hawthorne Machinery Co	Bolts, Locknuts, Bucket Teeth & Pins, Retainers	292.79
54891	12/07/2016	HD Supply Waterworks	Coupling 6" Repair PVC C900 (1)	28.32
	12/07/2016		Coupling 8" Deflection C900 (25)	1,471.53
	12/07/2016		Pipe 4" PVC DR-14 C900 (100)	240.87
	12/07/2016		Zinc Anode bag 30lb (21)	2,623.69
	12/07/2016		Service Saddle 8x2 C900 PVC (5)	699.83
	12/07/2016		Coupling 8" Repair PVC C900 (1)	68.30
	12/07/2016		Reducer 8x6 Cast Iron POxPO (1)	75.95
	12/07/2016		Corp Stop 2" (6)	1,139.25
	12/07/2016		Ell 8" Cast Iron PO 45 Degree (2)	206.91
	12/07/2016		Tubing 2" Copper Soft (100)	1,112.13
	12/07/2016		Tee 8x6 Cast Iron POxFL (3)	407.36
	12/07/2016		Service Saddle 4x2 C900 PVC (1)	106.71
	12/07/2016		Adapter 2" Copper x MIP (12)	125.64
	12/07/2016		Pipe 6" PVC DR-14 C900 (80)	372.37
	12/07/2016		Wire 10 Copper (5)	379.75

Payment Number	Payment Date	Vendor	Description	Amount
	12/07/2016		Tee 8" Cast Iron Flange (1)	213.09
	12/07/2016		Sleeve 12" Galvanized Top Sections (3)	50.13
	12/07/2016		Pipe 8" PVC DR-14 C900 (2500)	20,045.36
	12/07/2016		Gate Valve 8" POxFL R/W C900 (3)	3,085.74
	12/07/2016		Pipe 12" PVC DR-14 C900 (20)	344.81
	12/07/2016		Fire Hydrant Check Valve (3)	3,743.25
	12/07/2016		Cover 8" Valve Cast Iron Water (1)	24.96
	12/07/2016		Coupling 4" Repair PVC C900 (1)	18.45
	12/07/2016		Cover 12" Valve Box Cast Iron (3)	183.09
	12/07/2016		Tubing 1" Copper Soft (600)	3,027.15
	12/07/2016		Gate Valve 6" POxFL R/W C900 (3)	1,961.95
	12/07/2016		Adapter 8" Cast Iron POxFL (1)	95.32
	12/07/2016		Ell 2" Brass 90 Degree St. (3)	68.36
	12/07/2016		Corp Stop 1" Flare (19)	970.97
	12/07/2016		Gate Valve 4" POxFL R/W C900 (1)	494.76
	12/07/2016		Coupling 6" Repair Macro (1)	291.87
	12/07/2016		Curb Stop 1" Flare (19)	1,772.89
	12/07/2016		Coupling 8" Repair Macro (1)	329.84
	12/07/2016		Coupling 4" Repair Macro (1)	221.34
	12/07/2016		Service Saddle 8x1 C900 PVC (19)	2,437.72
54892	12/07/2016	HDR	2016 Water Master Plan 10/2016	13,267.50
54893	12/07/2016	Hello Deli	Lunch for Interview Panel (7)	79.99
54894	12/07/2016	Home Depot Credit Services	Lighting Fixtures	(60.63)
	12/07/2016		Lumber	22.60
	12/07/2016		Lighting Fixtures	62.83
	12/07/2016		Extension Cord	8.61
	12/07/2016		Lighting Fixture	32.52
	12/07/2016		Irrigation Repair Parts	11.98
	12/07/2016		Fusible Disconnect, Washers	61.96
	12/07/2016		Blocks for Wall	210.60
	12/07/2016		Blocks for Wall	(59.48)
	12/07/2016		Regulator, Hose Repair Kit, Air Hose, Hand Vac	98.68
	12/07/2016		Faucet, Cabinet Handles	100.89
	12/07/2016		Faucet	(58.33)
	12/07/2016		Cement, Tape	255.51
	12/07/2016		Cement, Form Boards	141.97
	12/07/2016		Cabinet Knobs, Acetone	40.89
	12/07/2016		Mortar, Toilet Seat	84.98
	12/07/2016		Ear Protection	32.65
	12/07/2016		Tool Organizer	98.44
	12/07/2016		SCADA Supplies	204.51

Payment Number	Payment Date	Vendor	Description	Amount
	12/07/2016		Batteries, Staple Gun, Staples, Primer	307.92
54895	12/07/2016	Houston Foam Plastics	Alcoa V-Beams (Foam Inserts)	1,602.78
54896	12/07/2016	IDAC West Inc	SCADA Software Support	3,380.00
54897	12/07/2016	Jo MacKenzie	Reimbursement/ACWA Fall Conference	1,037.30
54898	12/07/2016	Joe's Paving	Road Repair	9,724.90
54899	12/07/2016	Leon Perrault Trucking & Materials	Trucking & Material 10/2016	10,023.75
54900	12/07/2016	Lightning Messenger Express	Messenger Service 11/18/2016	43.50
	12/07/2016		Messenger Service 11/04/2016	43.50
54901	12/07/2016	Mallory Safety and Supply, LLC	Rain Jacket	81.01
54902	12/07/2016	Mission Resource Conservation District	Home Water Use Evaluation 11/2016	62.50
54903	12/07/2016	Moodys	Dump Fees (3)	600.00
54904	12/07/2016	NAPA Auto Parts	Spray Primer & Paint - Truck 21	48.69
54905	12/07/2016	North County Auto Parts	Registration Holders	20.70
	12/07/2016		Washer Fluid, Spray Protectant, Penetrate - Shop	39.68
	12/07/2016		Carb Cleaner (6)	30.21
	12/07/2016		Brake Switch - Truck 5	9.50
	12/07/2016		Switch, LED Light, Filter, Trailer Break Away	115.33
54906	12/07/2016	One Source Distributors	Safety Harness	399.51
54907	12/07/2016	Pacific Pipeline Supply	Ball Valves (20)	1,445.22
	12/07/2016		End Cap	36.46
54908	12/07/2016	Benetrac	Employee Benefits Tracking 12/2016	400.00
54909	12/07/2016	Peters Paving & Grading, Inc	Final Paving- Las Flores Drive	42,885.50
54910	12/07/2016	Ramco Petroleum	Fuel 10/2016	1,048.99
54911	12/07/2016	RC Auto & Smog	Replaced A/C Condenser	419.43
54912	12/07/2016	Rincon del Diablo MWD	MD Reservoir Water Service 11/2016	32.50
54913	12/07/2016	San Diego Gas & Electric	Gas 11/2016	354.89
54914	12/07/2016	San Diego Gas & Electric	Electrical Transmission 11/2016	3,670.97
	12/07/2016		Electric 11/2016 - Ranch House	32.82
54915	12/07/2016	Southern Counties Lubricants, LLC	Fuel 11/01/16 - 11/15/16	5,176.02
54916	12/07/2016	Standard Automation & Control	Wonderware Support Renewal (SCADA Software)	6,209.64
54917	12/07/2016	Sunrise Materials Inc	Concrete Hardener	88.97
	12/07/2016		Gravel for Meter Boxes	56.42
54918	12/07/2016	Midas Service Experts	Alignment - Truck 8	59.99
54919	12/07/2016	TS Industrial Supply	Fire Hose - Truck 60	271.45
	12/07/2016		Air Hoses, Clamp, Hose Stop, Hose Barg	200.32
	12/07/2016		Shovel 4" Trench Straight (8)	119.78
	12/07/2016		Wrench T-Handle 6'-11' (4)	559.86
	12/07/2016		Shovel Round Point Straight (10)	195.30
	12/07/2016		Sounding Bar (6)	624.96
	12/07/2016		Wrench 36" Meter Box Lid (10)	318.99
	12/07/2016		Broom 24" Push (12)	600.87

Payment Number	Payment Date	Vendor	Description	Amount
	12/07/2016		Broom Utility Corn (10)	143.76
	12/07/2016		Probe 3/8"x4' Stainless Steel (6)	373.67
	12/07/2016		Wrench T-Handle 5'-10' (2)	267.56
	12/07/2016		Digging Bar Heavy Duty (8)	850.64
	12/07/2016		Shovel Mud (6)	351.67
	12/07/2016		Wrench 1.25" One Hand (8)	928.70
	12/07/2016		Shovel Square Point Straight (6)	124.34
	12/07/2016		Strap 2"x30' Ratchet (10)	223.51
	12/07/2016		Extension Cord 100' (10)	726.97
	12/07/2016		Strap 1"x12' Ratchet (25)	333.64
	12/07/2016		Cooler 3 gallon Water (3)	107.42
	12/07/2016		File 12" Flat 2nd Cut (4)	116.31
	12/07/2016		Blade 14" Chop Saw Metal (6)	48.37
	12/07/2016		Knee pad with Velcro (6)	84.63
	12/07/2016		Cooler 5 gallon Water (3)	124.99
	12/07/2016		Extension Cord 50' (10)	444.85
	12/07/2016		Sling Lifting 2"x10' Heavy Duty (6)	198.56
	12/07/2016		Hose 50' 5/8" Garden Heavy Duty (4)	242.78
	12/07/2016		Hose 100' Garden Heavy Duty (4)	431.83
54920	12/07/2016	UniFirst Corporation	Uniform Service	335.94
54921	12/07/2016	Verizon Wireless	Cell Phone Service 10/16/16-11/15/16	1470.87
	12/07/2016		SCADA Remote Access	241.29
54922	12/07/2016	Vista Lock & Safe Co	Keys, Padlocks	138.36
54923	12/07/2016	Volt	Temporary Service PE 11/13/16	324.00
54924	12/07/2016	Vulcan Materials Company and Affiliates	Cold Mix	1024.92
	12/07/2016		Cold Mix	1877.69
54925	12/07/2016	Weseloh Chevrolet	Headlamp Connector - Truck 37	63.22
54926-54933	12/07/2016	Refund Checks 54926-54933	Customer Refunds	23647.55
54934-54936	12/14/2016	Refund Checks 54934-54936	Customer Refunds	3766.85
54937	12/14/2016	ACWA/JPIA	Medical & Dental Insurance 01/2017 - Cobra	69.09
	12/14/2016		Medical & Dental Insurance 01/2017 - Cobra	701.55
	12/14/2016		Medical & Dental Insurance 01/2017 - Cobra	69.09
	12/14/2016		Medical & Dental Insurance 01/2017 - Employees	152638.20
	12/14/2016		Medical & Dental Insurance 01/2017 - Retirees	32849.31
	12/14/2016		Medical & Dental Insurance 01/2017 - R Reznicek	2357.83
	12/14/2016		Medical & Dental Insurance 01/2017 - M Miller	1731.63
	12/14/2016		Medical & Dental Insurance 01/2017 - J MacKenzie	1731.63
	12/14/2016		Medical & Dental Insurance 01/2017 - P Dorey	1462.29
	12/14/2016		Medical & Dental Insurance 01/2017 - R Vasquez	1462.29
54938	12/14/2016	Airgas USA LLC	Welding Arc Rod, Helmet Battery & Lens	186.58
54939	12/14/2016	Allied Electronics Inc	SCADA Control Relays & Breakers	941.64

Payment Number	Payment Date	Vendor	Description	Amount
54940	12/14/2016	AT&T	Web Security 11/2016	66.00
54941	12/14/2016		Internet Service 11/19/16-12/18/16	1076.10
54942	12/14/2016	Audiosolutionz	Department of Transportation updates on DVD	209.00
54943	12/14/2016	Auto Specialist Warehouse	Brake Shoes, Spring, Seals - Truck 23	131.38
54944	12/14/2016	Big Drip Plumbing	Meter Tie Backs	650.00
54945	12/14/2016	CDW Government Inc	Unitrends 714S Backup Appliance	14918.75
	12/14/2016		Unitrends Fast Upload On-Premise	975.00
	12/14/2016		Unitrends Enterprise Backup Exchange license	925.00
	12/14/2016		Unitrends Cloud Long Term Retention	13800.00
54946	12/14/2016	Cecilia's Safety Service Inc	Traffic Control - Calle Colorado	595.00
	12/14/2016		Traffic Control - Hutchinson St	1275.00
	12/14/2016		Traffic Control - Vista Mountain Dr	1105.00
	12/14/2016		Traffic Control - E Vista Way	1710.00
54947	12/14/2016	CWEA	Membership & Certification Renewal	265.00
54948	12/14/2016	EDCO Waste & Recycling Services Inc	Trash/Recycle 11/2016	206.46
	12/14/2016		Dumpster	389.88
54949	12/14/2016	El Camino Rental	Foot/Pad for MQ Rammer	431.13
54950	12/14/2016	Electrical Sales Inc	Fuses (10)	139.99
	12/14/2016		Fuses (13)	113.82
54951	12/14/2016	Ferguson Waterworks	Solenoid Control Valves (12)	1,347.57
	12/14/2016		PVC Primer (12)	143.22
	12/14/2016		Grease No-Oxide (20)	716.10
	12/14/2016		PVC Wet & Dry Glue (24)	253.89
	12/14/2016		DFW Meter Box Lid 3.5 (30)	1,236.90
	12/14/2016		DFW Meter Box Lid Small (48)	2,760.24
	12/14/2016		DFW Meter Box Small (48)	3,801.84
54952	12/14/2016	Government Finance Officers Association	CAFR Application Fee	435.00
54953	12/14/2016	Grainger	Hole Saw Blades & Hole Cutter Set	188.70
54954	12/14/2016	Hawthorne Machinery Co	2012 Ford Water Truck	49,907.83
54955	12/14/2016	HD Supply Waterworks	Pipe	878.85
54956	12/14/2016	Hello Deli	Lunch for Interview Panel 12/06/16 (3)	34.37
54957	12/14/2016	Holiday Inn, Carlsbad	Employee Appreciation Event 12/13/16	3,100.48
54958	12/14/2016	Ken Grody Ford Carlsbad	Diagnose/Repair - Truck 1	3,778.52
54959	12/14/2016	Major League Pest/Gemini Pest Control	Pest Control Service	93.00
	12/14/2016		Bee Removal	85.00
54960	12/14/2016	Mar-Con-Products Inc	Ladder Steps for Meter Vaults (10)	78.30
54961	12/14/2016	Miramar Truck & Body Equipment	Dump Bed Flap - Truck 3	100.29
54962	12/14/2016	NAPA Auto Parts	Break away Switch Battery	33.79
54963	12/14/2016	North County Auto Parts	Brakes, Brake Hardware - Truck 48	77.01
	12/14/2016		Turned Brake Rotors - Truck 48	40.00
	12/14/2016		Rear Brake Drums - Truck 23	185.01

Payment Number	Payment Date	Vendor	Description	Amount
54964	12/14/2016	Packard Government Affairs	Indian Water Settlement 11/2016	656.25
54965	12/14/2016	Pauley Equipment Rental Inc	Brush Chipper Rental	250.00
54966	12/14/2016	Quality Chevrolet	Diagnose/Repair Oil in Coolant- Truck 51	173.52
54967	12/14/2016	Ramona Disposal Service	Trash Service 10/2016	153.43
	12/14/2016		Trash Service 11/2016	153.43
54968	12/14/2016	Rutan & Tucker LLP	Legal 11/2016	1,534.73
	12/14/2016		Legal 11/2016	153.00
	12/14/2016		Legal 11/2016	969.00
	12/14/2016		Legal 11/2016	153.00
	12/14/2016		Legal 11/2016	153.00
54969	12/14/2016	San Diego Gas & Electric	Electric 11/2016	7.00
54970	12/14/2016	Sheri Casto	Reissue check	646.00
54971	12/14/2016	Sherry Thorpe	Tuition Reimbursement	529.16
54972	12/14/2016	Spok, Inc	Paging Service 12/2016	32.89
54973	12/14/2016	Statewide Traffic Safety and Signs, Inc	Warning Signs for Trucks	1,701.01
54974	12/14/2016	Tegriscap Inc	Landscaping Maintenance, Shrub Replacements 11/2016	2,117.21
54975	12/14/2016	Terryberry	Board Service Pin	337.24
54976	12/14/2016	WorkPartners Occupational Health Specialists	First Aid Medical Treatment	441.43
54977	12/14/2016	TS Industrial Supply	Tubing Adapter	200.51
	12/14/2016		Fire Hose, Couplings	276.18
	12/14/2016		Hose Fittings	16.48
	12/14/2016		Air Hose, Fittings	123.21
	12/14/2016		Cut off Wheel	111.76
	12/14/2016		Sprayer Wands - Truck 1	108.66
54978	12/14/2016	UniFirst Corporation	Uniform Service	338.59
54979	12/14/2016	VG Donuts & Bakery Inc	Board Mtg 12/07/2016	29.25
54980	12/14/2016	Volt	Temporary Service PE 11/20/16	324.00
54981	12/21/2016	Refund Check 54981	Customer Refund	
54982	12/21/2016	Active Auto Collision	Replaced & Repainted Door - Truck 1	477.92
54983	12/21/2016	Airgas USA LLC	Acetylene Tank Lease Renewal	135.90
54984	12/21/2016	Aquajet Art	Stainless Mounting Brackets	145.80
54985	12/21/2016	Basic pacific	Flexible Benefits Service/Cobra 12/2016	249.40
54986	12/21/2016	Big Drip Plumbing	Meter Tie Backs	2,250.00
	12/21/2016		Meter Tie Backs	2,750.00
	12/21/2016		Meter Tie Backs	1,150.00
54987	12/21/2016	Boot World Inc	Footwear Program	175.00
54988	12/21/2016	California Chamber of Commerce	Membership Renewal 01/03/17-01/03/18	978.00
54989	12/21/2016	Canon Solutions America, Inc	Copier Maintenance	120.29
54990	12/21/2016	CI Solutions	ID Card Database Maintenance 12/18/16-12/17/17	120.00
54991	12/21/2016	CDW Government Inc	C2G 8in DisplayPort to VGA Adapter Converter	43.79
	12/21/2016		McAfee Gold Business Support for Endpoint Protection	2,960.00

Payment Number	Payment Date	Vendor	Description	Amount
54992	12/21/2016	Cecilia's Safety Service Inc	Traffic Control - San Luis Rey Ave	570.00
	12/21/2016		Traffic Control - Hibiscus	2,465.00
	12/21/2016		Traffic Control - Sunset & S Melrose Dr	680.00
	12/21/2016		Traffic Control - Broadway & Citrus Ave	150.00
54993	12/21/2016	Cibola Systems	Audio Visual System Tune-up	875.00
54994	12/21/2016	City Of Escondido	Escondido Canal Operating Cost 10/01/16-12/31/16	2,500.00
54995	12/21/2016	City of Oceanside	Weese Treatment 11/2016	33,401.70
54996	12/21/2016	Clinical Lab of San Bernardino Inc	Stage 2 DBP'S	920.00
54997	12/21/2016	Coast Equipment Rentals	Concrete	139.97
54998	12/21/2016	County of San Diego	Row Permit	126.00
	12/21/2016		Row Permit - E Vista Way @ Gopher Canyon Rd	1,898.98
54999	12/21/2016	Diamond Environmental Services	Portable Restroom Service	89.73
	12/21/2016		Stationary & Portable Restroom Service	217.72
55000	12/21/2016	Digital Deployment, Inc	Website Hosting, Maintenance & Support	300.00
55001	12/21/2016	Direct Energy	Electric 11/2016 VID	1,173.96
	12/21/2016		Electric 11/2016 - Henshaw Well Field	11,862.58
	12/21/2016		Electric 11/2016 - T & D / Cathodic Protection	12.77
	12/21/2016		Electric 11/2016 - Reservoirs	11.47
	12/21/2016		Electric 11/2016 - Pump Stations	2,146.25
	12/21/2016		Electric 11/2016 Treatment Plants	23.46
55002	12/21/2016	Drug Testing Network Inc	Administrative Fee 01/2017-01/2018	95.00
55003	12/21/2016	EDCO Waste & Recycling Services Inc	Dumpster for Brush Removal	540.92
	12/21/2016		Dumpster for Brush Removal	577.28
55004	12/21/2016	Electrical Sales Inc	Lamps for Flag	28.76
	12/21/2016		Fuses (40)	559.89
55005	12/21/2016	Escondido Metal Supply	Metal for Worn Plates	63.07
	12/21/2016		Steel Tubing, Flat Bars	196.17
	12/21/2016		Steel Flat Bars - Truck 21	64.06
55006	12/21/2016	Evoqua Water Technologies LLC	DI Bottle Maintenance	24.00
55007	12/21/2016	FedEx	Express Shipping	130.78
55008	12/21/2016	Ferguson Waterworks	DFW Meter Box Lid Small (54)	3,105.27
	12/21/2016		DFW Meter Box Small (54)	4,277.07
	12/21/2016		Regulator Control Valves (6)	333.64
	12/21/2016		Brass Plumbing	2,648.46
55009	12/21/2016	Fleet Pride	PTO Gaskets	2.96
55010	12/21/2016	G & R Auto & Truck Repair	Diesel Opacity Test - Truck 52	50.00
	12/21/2016		Diesel Opacity Test - Truck 22	50.00
	12/21/2016		Diesel Opacity Test - Truck 11	50.00
	12/21/2016		Diesel Opacity Test - Truck 1	50.00
	12/21/2016		Diesel Opacity Test - Truck 48	50.00
	12/21/2016		Diesel Opacity Test - Truck 30	50.00

Payment Number	Payment Date	Vendor	Description	Amount
	12/21/2016		Diesel Opacity Test - Truck 44	50.00
	12/21/2016		Diesel Opacity Test - Truck 51	50.00
55011	12/21/2016	D.H. Maintenance Services	Janitorial Maintenance @ VID Headquarters 12/2016	1,850.00
55012	12/21/2016	GLC-(CA) Vista LLC	Solar Energy Use 11/2016	3,949.95
55013	12/21/2016	Glennie's Office Products Inc	Office Supplies	167.73
	12/21/2016		Office Supplies	21.68
	12/21/2016		Office Supplies	239.69
	12/21/2016		Office Supplies	(86.75)
	12/21/2016		Office Supplies	(8.84)
55014	12/21/2016	Grainger	Wire Labels, Vault Float Switches	410.96
55015	12/21/2016	Groundwater Resources Assoc of CA	Membership Dues 2017	345.00
55016	12/21/2016	Hach Company	Lab Supplies	559.68
	12/21/2016		Chlorine Analyzer	714.15
	12/21/2016		Lab Supplies	70.42
55017	12/21/2016	HD Supply Waterworks	Wire 10 Gauge Copper (2)	151.90
	12/21/2016		Flange 4" Companion (3)	79.58
	12/21/2016		Flange 6" DI Blind 8-hole (6)	244.45
	12/21/2016		Tubing 1" Copper Soft (600)	2,148.31
	12/21/2016		Flange 6" SOW 8-hole (50)	839.79
	12/21/2016		Flange 4" SOW (8)	82.89
	12/21/2016		Flange 6x2 DI Blind 2" Tap (10)	531.65
	12/21/2016		Flange 3" SOW (6)	49.48
	12/21/2016		Gaskets (500)	119.36
	12/21/2016		Fire Hydrant Spool	74.93
55018	12/21/2016	HELIX Environmental Planning, Inc	Flume - Historic Documentation 11/2016	3,201.57
55019	12/21/2016	Horton Knox Carter & Foote LLP	Legal 11/2016	34,611.71
55020	12/21/2016	IDEXX Distribution Corporation	Bac-T Bottles & Media	2,134.32
55021	12/21/2016	Infrastructure Engineering Corporation	AB Line Meyers Siphon Replacement 10/29-11/25/16	160.00
55022	12/21/2016	Interstate Battery of San Diego Inc	Batteries (2)	274.01
55023	12/21/2016	Iron Mountain Records Management	Offsite Data Storage	261.94
55024	12/21/2016	Jackson & Blanc	HVAC Hot Water Valve Replacement	2,135.25
55025	12/21/2016	Jessica Sherwood	Computer Loan Program 12/2016	939.97
55026	12/21/2016	Joe's Paving	Final Paving- Grandview Drive	20,496.70
55027	12/21/2016	KEH & Associates, Inc	Pipeline Replacement Evaluation 11/2016	8,010.00
55028	12/21/2016	Ken Grody Ford Carlsbad	Replaced Water Pump - Truck 1	545.19
	12/21/2016		Battery Cable	71.27
55029	12/21/2016	Lighthouse Inc	Brake Controller, Lamps, Switches	167.12
55030	12/21/2016	Mallory Safety and Supply, LLC	Safety Glasses	555.56
55031	12/21/2016	Moodys	Dump Fees (2)	400.00
55032	12/21/2016	NAPA Auto Parts	Trailer Ball Mount - Truck 19	26.03
	12/21/2016		Trailer Wire Connector - Truck 19	20.06

Payment Number	Payment Date	Vendor	Description	Amount
	12/21/2016		Hitch Receiver Locks	57.48
	12/21/2016		Reflective Tape - Shop	131.27
	12/21/2016		PTO Gasket	1.62
	12/21/2016		Battery & Core, Loom	67.26
	12/21/2016		Split Loom for Wiring	14.11
55033	12/21/2016	North County Auto Parts	Filters, Engine Oil, Exhaust Hanger	114.12
	12/21/2016		Seat Cover - Truck 1	199.21
	12/21/2016		Filters, Toggle Switch	39.78
	12/21/2016		Hydraulic Oil - A8	28.85
55034	12/21/2016	One Source Distributors	Cable Sleeve w/Carabiners for Ladder Safety	2,457.76
55035	12/21/2016	Pacific Pipeline Supply	Weld Flanges	90.71
	12/21/2016		Ell, Bolt Nut Set	71.01
55036	12/21/2016	Richard Brady & Associates, Inc	HP Reservoir Design 10/2016	38,107.50
	12/21/2016		HP Reservoir Rehabilitation-Design Build	29,338.00
55037	12/21/2016	Sherry Thorpe	Employee Appreciation Event Reimbursement	154.18
55038	12/21/2016	SiteOne Landscape Supply, LLC	PVC Fitting	49.80
55039	12/21/2016	Smart Source	Shut-Down Logs	183.47
55040	12/21/2016	Southern Counties Lubricants, LLC	Fuel 11/16/2016-11/30/2016	3,411.28
55041	12/21/2016	State Water Resources Control Board	NPDES Permit 07/2016-06/2017	2,062.00
55042	12/21/2016	Sunrise Materials Inc	Rock	83.55
55043	12/21/2016	Midas Service Experts	Tire/Mounting/Alignment	199.60
55044	12/21/2016	WorkPartners Occupational Health Specialists	First Aid Treatment	153.69
	12/21/2016		First Aid Treatment	333.01
55045	12/21/2016	TS Industrial Supply	Striping & Marking Paint, Couplers, Clamps	1,776.72
55046	12/21/2016	Tyler Technologies Inc	Till for Cash Drawer	70.53
55047	12/21/2016	Underground Service Alert of Southern California	DigAlert Tickets 11/2016 (193)	289.50
55048	12/21/2016	UniFirst Corporation	Uniform Service	467.03
55049	12/21/2016	Union Bank	Workshop	125.00
	12/21/2016		Workshop	125.00
	12/21/2016		ACWA Fall Conference - P Dorey	888.84
	12/21/2016		CRWUA Conference - M Miller	162.86
	12/21/2016		CRWUA Conference - R Reznicek	162.86
	12/21/2016		CRWUA Conference - J MacKenzie	56.00
	12/21/2016		CRWUA Conference - M Miller	28.00
	12/21/2016		CRWUA Conference - R Reznicek	28.00
	12/21/2016		ACWA Fall Conference - R Vasquez	666.63
	12/21/2016		CRWUA Conference - J MacKenzie	141.12
	12/21/2016		CRWUA Conference - R Vasquez	366.24
	12/21/2016		CRWUA Conference - R Reznicek	505.00
	12/21/2016		CRWUA Conference - M Miller	505.00
	12/21/2016		CRWUA Conference - J MacKenzie	505.00

Payment Number	Payment Date	Vendor	Description	Amount
	12/21/2016		CRWUA Conference - R Vasquez	505.00
	12/21/2016		ACWA Fall Conference - B Hodgkiss	666.63
	12/21/2016		ACWA Fall Conference - E Boone	666.63
55050	12/21/2016	Vista Chamber of Commerce	Membership Renewal 2017	855.00
55051	12/21/2016	Vista Firestone Brake & Smog	Tires/Mounting (4) - Truck 3	1,076.17
	12/21/2016		Tires & Mounting (3) - Truck 35	401.47
55052	12/21/2016	Volt	Temporary Service PE 11/27/16	324.00
55053	12/21/2016	White Nelson Diehl Evans LLP	Auditing Services 10/2016	3,500.00
55054	12/21/2016	WilmerHale	Legal - Indian Water Rights First Fee	43,500.00
Grand Total:				1,601,686.77



STAFF REPORT

Agenda Item: 7

Board Meeting Date:	January 4, 2017
Prepared By:	Marlene Kelleher
Reviewed By:	Brett Hodgkiss
Approved By:	Eldon Boone

SUBJECT: FISCAL YEAR 2016 AUDIT

RECOMMENDATION: Accept the Fiscal Year 2016 audit report by White Nelson Diehl Evans LLP (Daphnie Munoz, CPA, Partner, in attendance).

PRIOR BOARD ACTION: None.

FISCAL IMPACT: None by this action. The fees for FY 2016 audit services are \$22,565.

SUMMARY: The District's independent auditors, White Nelson Diehl Evans LLP, are issuing an unmodified opinion on the District's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016. 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:

- CAFR for the year ended June 30, 2016
- Summary of Audit Results Letter for the year ended June 30, 2016
- Management Letter for the year ended June 30, 2016
- Best Practices Letter for the year ended June 30, 2016



Comprehensive Annual Financial Report

2016

For Fiscal Year Ended June 30, 2016

**Prepared by:
The Finance Department
Marlene Kelleher, Finance Manager
Vista Irrigation District · Vista, CA**



VID VISTA IRRIGATION DISTRICT

1391 Engineer Street · Vista, California 92081

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

www.vidwater.org



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

**Vista Irrigation District
Comprehensive Annual Financial Report**

Table of Contents

Table No. Page Number

Introductory Section

Organization Chart	i
Transmittal Letter	ii
Certificate of Achievement for Excellence in Financial Reporting	viii

Financial Section

Independent Auditor's Report	1
Management's Discussion and Analysis	4
Statements of Net Position	9
Statements of Revenues, Expenses and Changes in Equity	11
Statements of Cash Flows	12
Notes to Financial Statements	14
Required Supplementary Information	46

Statistical Section

Table of Contents		48
Net Position by Component - Last Ten Fiscal Years	I	49
Changes in Net Position - Last Ten Fiscal Years	II	50
Water Sales by User Type - Last Ten Fiscal Years	III	51
Service Connections - Last Ten Fiscal Years	IV	52
Water Rates - Last Ten Fiscal Years	V	53
Principal Water Customers	VI	54
Demographic and Economic Statistics - Last Ten Fiscal Years	VII	55
Principal Employers - County of San Diego	VIII	56
Number of Employees - Last Ten Fiscal Years	IX	57
Operating and Capital Indicators - Last Ten Fiscal Years	X	58

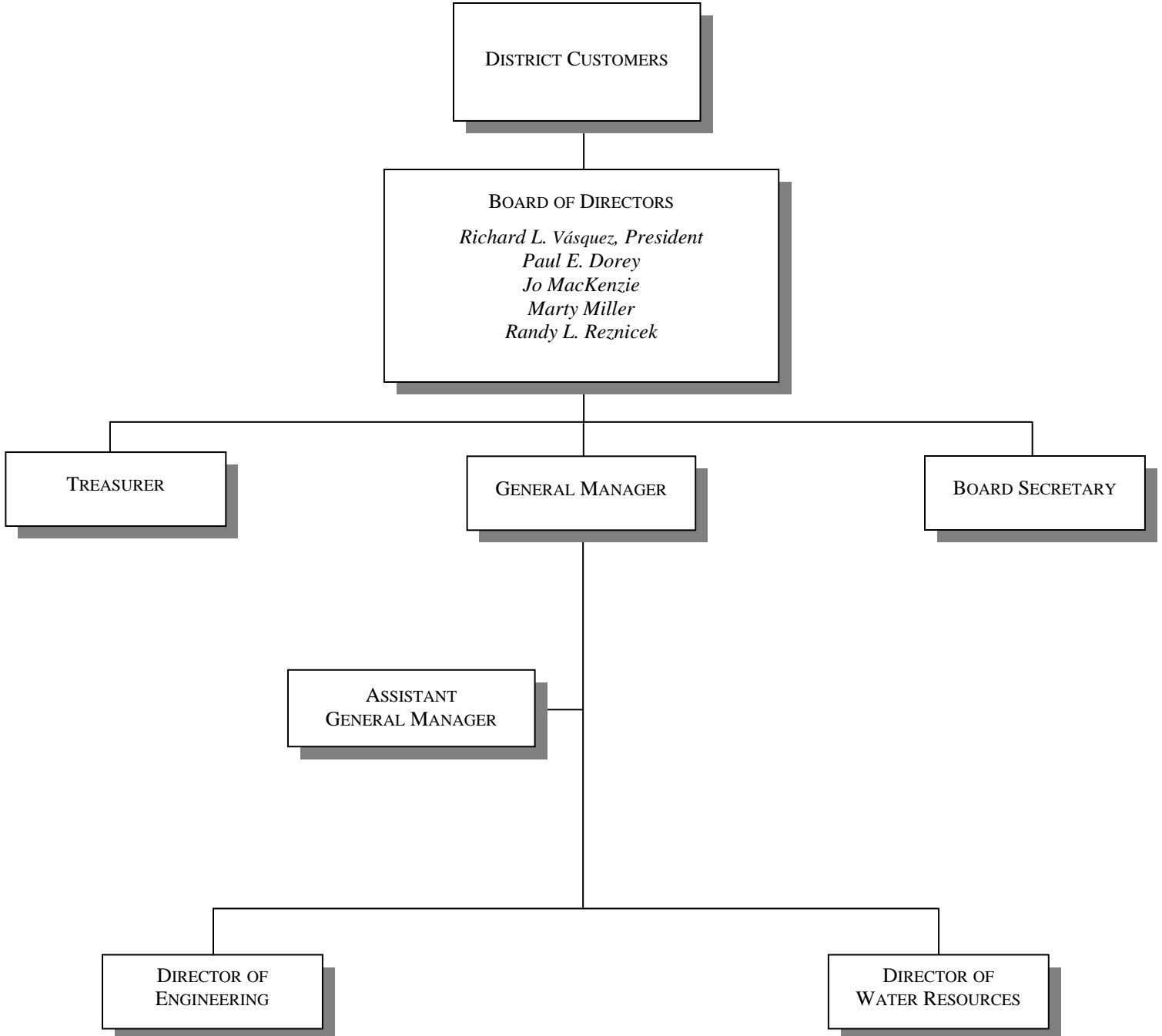
This Page Intentionally Blank



Introductory Section



Organization Chart





1391 Engineer Street • Vista, California 92081-8840

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

www.vidwater.org

Board of Directors

Richard L. Vázquez, *President*

Paul E. Dorey

Jo MacKenzie

Marty Miller

Randy Reznicek

Administrative Staff

Eldon L. Boone

General Manager/Treasurer

Brett L. Hodgkiss

Assistant General Manager

Lisa R. Soto

Board Secretary

Joel D. Kuperberg

General Counsel

December 5, 2016

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, 2016. The purpose of the report is to provide the Board of Directors, our customers, and any other interested parties with reliable financial information about the District.

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

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

The District's financial statements have been audited by White Nelson Diehl Evans LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2016, 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, 2016, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Profile of the District

District's Service Area

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

District's Authority

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

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

Governance

The District's Board of Directors is comprised of five members elected by the citizens within their geographical area. Each Director serves a four year staggered term and must be a resident of the division he or she represents. The District operates under a Board-Manager form of government. The General Manager is appointed by the Board, and administers the daily affairs of the District and carries out policies of the Board of Directors. The District employs a staff of 87 under the direction of the Board-appointed General Manager.

Water Services

The District serves more than 28,400 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 14,200 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 129,353 as of fiscal year 2016. According to the San Diego Association of Governments (SANDAG), the median age of residents within the District as calculated during the most recent US Census, was 33.2 years and the median household income of residents in the City of Vista, which encompasses the majority of the District, was \$39,870. From 2006 to 2016 the population increased 6.6%, and median household income (adjusted for inflation) increased by 2.8%.

The demand for new connections declined, with the District's total meters in service decreasing in fiscal year 2016 by 342 meters to 27,999. Water sales for fiscal year 2016 were 14,244 acre feet, down 2,873 acre feet or (16.8)% from sales of 17,117 in fiscal year 2015. Of the 14,244 acre feet, or 4.6 billion gallons sold in fiscal year 2016, 70% was distributed for residential use, 12% for industrial and commercial use, 10% for landscape irrigation use, 6% for agricultural use and 2% for governmental use.

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

Bay-Delta Fix

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

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

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

Drought

After four years of drought statewide, water supply conditions have improved as the result of increased snow and rainfall in northern California, lessening supply reliability concerns throughout much of the state. As a result, on May 9, 2016, Governor Brown issued an Executive Order, which in part, directed the State Water Resources Control Board to make adjustments to the emergency water conservation regulation in recognition of differing water supply conditions across the state. Effective June 1, 2016, the revised emergency regulations allow individual water agencies (or regions as a whole) to replace mandated conservation standards with a supply based approach.

Based on the new formula, a water supplier's conservation standard for June 2016 through January 2017 is the difference between the amount of projected supplies available after three additional dry years and the average demand during 2013 and 2014. No minimum conservation standard is required for agencies or regions that can self-certify that projected water supplies will meet demands.

The SDCWA and all of its member agencies have agreed to take a regional approach to certify water supply sufficiency. Calculations show that SDCWA supplies, combined with member agency local supplies and supplemented by SDCWA stored water supplies, would be more than sufficient to meet demands for all SDCWA member agencies, even after three additional years of drought. Based on this calculation, the aggregated conservation standard is zero.

MWD Lawsuit

The SDCWA filed a fourth lawsuit in April 2016 against MWD. The SDCWA alleged that the water rates set by MWD for 2017 and 2018 violate California law, the state Constitution and common law that all require rates to be set based upon cost of service.

A Superior Court judge ruled in November 2015 that MWD's rates for 2011-2014 were illegal. The judge directed MWD to pay SDCWA more than \$243 million in damages, costs, pre-judgment interest, and attorneys' fees. The amount will accrue simple post-judgment interest at 7 percent annually until MWD repays SDCWA. A finding was also made that MWD has under-calculated SDCWA's right to MWD water by tens of thousands of acre-feet of water per year.

MWD's overcharges of the SDCWA for 2017 and 2018 are expected to be more than \$134 million, and overcharges for the eight years contested by SDCWA are approximately \$524 million (not including the interest, court costs and attorney's fees from 2015 – 2018). If allowed to stand, overcharges by MWD could exceed \$2 billion over 20 years.

SDCWA filed its first rate lawsuit against MWD in 2010, then filed a second suit in 2012 because MWD refused to reform its rates. A third SDCWA lawsuit, filed in 2014, challenging MWD rates in 2015 and 2016 is currently stayed pending resolution of MWD's appeal from the first two lawsuits.

The Board of Directors of the SDCWA determined that after deducting litigation expenses it will return the remaining money 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 \$21.4 million to the program which has allowed the replacement of nearly 28.2 miles of older pipe ranging in size from 4 to 20 inches. The Board approved another \$2.5 million for this program as part of the capital improvement program for fiscal year 2017.

Accomplishments

Financial Statement Awards and Acknowledgements

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Vista Irrigation District for its CAFR for the fiscal year ended June 30, 2015. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

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

Respectfully submitted,



Eldon Boone
General Manager



Marlene Kelleher
Finance Manager



Government Finance Officers Association

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

Presented to

**Vista Irrigation District
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

This Page Intentionally Blank



Financial Section

This Page Intentionally Blank

INDEPENDENT AUDITORS' REPORT

Board of Directors
Vista Irrigation District
Vista, California

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the 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.

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

Opinions

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

Other Matters

Summarized Comparative Information

The District's 2015 financial statements were audited by other auditors, and their report dated December 14, 2015, expressed an unmodified opinion on those audited financial statements. We were not engaged to audit, review, or apply any procedures to the 2015 financial statements of the District and, accordingly, we do not express an opinion or any other form of assurance on the 2015 financial statements as a whole.

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated December 5, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering District's internal control over financial reporting and compliance.

White Nelson Nick Evans LLP

Carlsbad, California
December 5, 2016

This Page Intentionally Blank

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

Our discussion and analysis of the Vista Irrigation District's financial performance provides an overview of the District's financial activities for the year ended June 30, 2016. Please read it in conjunction with the District's financial statements which begin on page 9. This annual financial report consists of two parts -- Management's Discussion and Analysis (this section) and the Financial Statements.

Financial Statements

The District's financial statements include four components:

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

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

- Net investment in capital assets
- Unrestricted

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

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

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

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

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

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

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

Financial Highlights

- Overall, operating revenues decreased 7.3%, while operating expenses decreased 3.6%.
- The District realized a \$3.3 million operating gain during the current fiscal year primarily due to higher water rates in the current year, along with a decrease in depreciation expense, as a result of changing the useful lives of capital assets discussed below.
- Contributed capital decreased \$0.3 million due to the completion of three capital contribution jobs in the current year, as compared to five in the prior year.
- The District made a \$7.8 million prepayment of a portion of the PERS unfunded liability in the current year. This resulted in an increase to Pension-related deferred outflows of resources.
- The District also made a \$1.4 million prepayment of the unfunded portion of the OPEB liability. This resulted in an increase to Long-term prepaid expenses.
- During the current year, the District re-evaluated the useful lives of their capital assets, and as a result, extended the useful lives of many capital asset items. This resulted in a significant decrease in depreciation expense in the current fiscal year.

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

Financial Analysis of the District

Net Position - The District's overall net position increased \$3.9 million between fiscal years 2015 and 2016, from \$102.3 to \$106.2 million. Cash and cash equivalents decreased \$8.3 million primarily due to the \$7.8 million prepayment of the PERS unfunded liability, and the \$1.4 million prepayment of the OPEB unfunded liability, as previously noted in the Financial Highlights section. The net investment in capital assets increased \$2.0 million which reflects the excess of net capital additions over the current year depreciation and dispositions. The unrestricted net position increased \$1.9 million primarily due to operating income exceeding operating expenses.

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

	<u>2016</u>	<u>2015</u>
Current assets	\$ 37.3	\$ 45.4
Capital assets	84.6	82.5
Long-term prepaid expenses	<u>4.0</u>	<u>2.4</u>
Total Assets	<u>125.9</u>	<u>130.3</u>
Deferred outflows of resources	<u>9.8</u>	<u>1.5</u>
Current liabilities	7.0	6.8
Noncurrent liabilities	<u>20.1</u>	<u>17.8</u>
Total Liabilities	<u>27.1</u>	<u>24.6</u>
Deferred inflows of resources	<u>2.4</u>	<u>4.9</u>
Net Position:		
Net investment in capital assets	84.6	82.6
Unrestricted	<u>21.6</u>	<u>19.7</u>
Total Net Position	<u>\$ 106.2</u>	<u>\$ 102.3</u>

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

Change in Net Position - The District's operating revenues decreased by 7.3% to \$43.2 million. In fiscal year 2016, 95.4% of the District's operating revenues came from water sales. The decrease in operating revenues resulted primarily due to decreased water sales, as a result of water conservation efforts.

The District's operating expenses decreased 3.6% to \$39.9 million primarily due to a decrease in purchased water, due to lesser demand as discussed above, as well as a decrease in depreciation expense, as a result of the change in useful lives discussed previously in the Financial Highlights section, and a decrease in wages and benefits expenses.

The District's contributed capital decreased from \$0.5 million to \$0.2 million due to less capital contribution jobs completed in the current year.

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

	<u>2016</u>	<u>2015</u>
Operating Revenues		
Water sales, net	\$ 41.2	\$ 44.6
Property rentals	0.7	0.7
Other services	0.7	0.4
System fees	<u>0.6</u>	<u>0.9</u>
Total Operating Revenues	<u>43.2</u>	<u>46.6</u>
 Operating Expenses	 <u>39.9</u>	 <u>41.4</u>
 Operating Income	 <u>3.3</u>	 <u>5.2</u>
 Nonoperating Revenues (Expenses)		
Property taxes	0.4	0.4
Investment income	0.1	0.1
Legal settlement	<u>(0.1)</u>	<u>(0.1)</u>
Total Nonoperating Revenues	<u>0.4</u>	<u>0.4</u>
 Contributed Capital	 <u>0.2</u>	 <u>0.5</u>
 Changes in Net Position	 3.9	 6.1
 Total Net Position - beginning	 <u>102.3</u>	 <u>96.2</u>
 Total Net Position - ending	 <u>\$ 106.2</u>	 <u>\$ 102.3</u>

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

Capital Assets

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

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

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

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, 2016, 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.

**VISTA IRRIGATION DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2016 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

	2016	2015
Assets		
Current Assets:		
Cash and cash equivalents (notes 1 and 2)	\$ 9,860,788	\$ 18,204,575
Investments (notes 1 and 2)	19,464,400	19,485,885
Accounts receivable, net (notes 1 and 3)	7,322,618	6,958,027
Taxes receivable	38,701	33,228
Accrued interest receivable	12,755	7,509
Inventories of materials and supplies	443,284	547,277
Prepaid expenses and other current assets	130,902	123,865
Total Current Assets	37,273,448	45,360,366
Noncurrent Assets:		
Capital assets: (notes 1 and 4)		
Depreciable assets, net of accumulated depreciation:		
Buildings, canals, pipelines, reservoirs and dams	73,835,413	73,650,324
Equipment	1,585,894	1,165,718
Henshaw pumping project	432,342	379,715
Nondepreciable assets:		
Land, franchises and water rights	6,001,127	6,001,127
Construction in progress	2,695,476	1,354,968
Total capital assets	84,550,252	82,551,852
Long-term prepaid expenses (note 9)	4,026,847	2,374,626
Total Noncurrent Assets	88,577,099	84,926,478
Total Assets	125,850,547	130,286,844
Deferred Outflows of Resources		
Pension related (notes 1, 6 and 8)	9,778,045	1,488,966
Total Deferred Outflows of Resources	9,778,045	1,488,966

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

(Continued)

**VISTA IRRIGATION DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2016 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

	<u>2016</u>	<u>2015</u>
Liabilities		
Current Liabilities:		
Accounts payable (note 5)	\$ 4,561,766	\$ 4,331,156
Deposits	613,318	726,632
Accrued expenses and other liabilities	<u>1,843,941</u>	<u>1,736,973</u>
Total Current Liabilities	<u>7,019,025</u>	<u>6,794,761</u>
Noncurrent Liabilities:		
Claims payable (note 6)	4,329,271	4,245,365
Net pension liability (notes 1, 6 and 8)	<u>15,723,785</u>	<u>13,526,753</u>
Total Noncurrent Liabilities	<u>20,053,056</u>	<u>17,772,118</u>
Total Liabilities	<u>27,072,081</u>	<u>24,566,879</u>
Deferred Inflows of Resources		
Pension related (notes 1, 6 and 8)	<u>2,376,061</u>	<u>4,932,631</u>
Total Deferred Inflows of Resources	<u>2,376,061</u>	<u>4,932,631</u>
Net Position		
Net investment in capital assets	84,550,252	82,551,852
Unrestricted (notes 7 and 11)	<u>21,630,198</u>	<u>19,724,448</u>
Total Net Position	<u>\$ 106,180,450</u>	<u>\$ 102,276,300</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, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)

	<u>2016</u>	<u>2015</u>
Operating Revenues		
Water sales, net (notes 1 and 3)	\$ 41,193,157	\$ 44,594,810
Property rentals	718,075	738,767
Other services	657,891	428,667
System fees	<u>622,039</u>	<u>853,041</u>
Total Operating Revenues	<u>43,191,162</u>	<u>46,615,285</u>
Operating Expenses		
Purchased water	18,721,053	19,235,486
Wages and benefits	11,870,598	12,298,601
Contractual services	4,125,191	3,827,299
Depreciation	2,581,311	3,363,263
Supplies	1,396,166	1,309,636
Professional fees	700,489	658,616
Power	656,238	662,164
Insurance	531,811	489,023
Office and general	489,547	488,237
Communications	49,845	55,126
Burden allocation	<u>(1,255,779)</u>	<u>(945,126)</u>
Total Operating Expenses	<u>39,866,470</u>	<u>41,442,325</u>
Operating Income	<u>3,324,692</u>	<u>5,172,960</u>
Nonoperating Revenues (Expenses)		
Property taxes	384,960	381,843
Investment income	129,591	63,423
Federal and state assistance	-	42,810
Gain (Loss) on disposal of capital assets	(16,209)	30,557
Legal settlement	<u>(83,905)</u>	<u>(55,173)</u>
Total Nonoperating Revenues	<u>414,437</u>	<u>463,460</u>
Income Before Contributed Capital	3,739,129	5,636,420
Contributed Capital	<u>165,021</u>	<u>499,911</u>
Changes in Net Position	3,904,150	6,136,331
Total Net Position - beginning	<u>102,276,300</u>	<u>96,139,969</u>
Total Net Position - ending	<u>\$ 106,180,450</u>	<u>\$ 102,276,300</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, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

	<u>2016</u>	<u>2015</u>
Cash Flows From Operating Activities		
Receipts from customers	\$ 42,826,571	\$ 46,771,464
Payments to suppliers	(39,320,532)	(30,411,752)
Payments to employees	(7,830,931)	(7,591,369)
Collection of deposits	877,561	1,021,251
Return of deposits	(990,875)	(786,508)
Net Cash Provided (Used) by Operating Activities	<u>(4,438,206)</u>	<u>9,003,086</u>
Cash Flows From Noncapital Financing Activities		
Receipts from property taxes	379,487	376,947
Proceeds from Federal and State assistance	-	42,810
Net Cash Provided by Noncapital Financing Activities	<u>379,487</u>	<u>419,757</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds from disposal of capital assets	40,651	40,827
Acquisition and construction of capital assets	(4,471,550)	(3,667,212)
Net Cash Used by Capital and Related Financing Activities	<u>(4,430,899)</u>	<u>(3,626,385)</u>
Cash Flows From Investing Activities		
Proceeds from maturities of investments	19,500,000	13,000,000
Interest on cash and investments	39,740	32,540
Purchase of investments	(19,393,909)	(19,461,325)
Net Cash Provided (Used) by Investing Activities	<u>145,831</u>	<u>(6,428,785)</u>
Net Decrease in Cash and Cash Equivalents	(8,343,787)	(632,327)
Cash and Cash Equivalents - beginning	<u>18,204,575</u>	<u>18,836,902</u>
Cash and Cash Equivalents - ending	<u>\$ 9,860,788</u>	<u>\$ 18,204,575</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, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

	2016	2015
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income	\$ 3,324,692	\$ 5,172,960
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,581,311	3,363,263
Pension related adjustments	(8,648,617)	100,885
Changes in Assets and Liabilities:		
Accounts receivable, net	(364,591)	1,177,430
Inventories of materials and supplies	103,993	(162,368)
Prepaid expenses and other assets	(1,659,258)	(91,311)
Accounts payable	230,610	(830,498)
Deposits	(113,314)	234,742
Accrued expenses and other liabilities	106,968	37,983
Net Cash Provided (Used) by Operating Activities	\$ (4,438,206)	\$ 9,003,086
Noncash Investing, Capital and Financing Activities		
Contributed capital assets	\$ 165,021	\$ 499,911
Increase in fair value of investments	\$ 84,606	\$ 28,758
Increase in claims payable	\$ 83,905	\$ 55,173

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

Note 1 - Reporting Entity and Summary of Significant Accounting Policies

Description of the Reporting Entity

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

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

Basic Financial Statements

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

Basis of Presentation

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

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

Measurement Focus and Basis of Accounting

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

Use of Estimates

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

Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District’s prior year financial statements, from which this selected financial data was derived. Certain reclassifications have been made to the prior year amounts to conform to the current year’s presentation. There is no effect on the change in net position.

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.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

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

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.

Prepaid Expenses

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

Capital Assets and Depreciation

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

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

Burden Allocation

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

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

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. At June 30, 2016, accrued vacation and sick leave was \$1,337,099.

Pension Plans

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

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

Valuation Date (VD)	June 30, 2014
Measurement Date (MD)	June 30, 2015
Measurement Period (MP)	July 1, 2014 to June 30, 2015

VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)

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

Deferred Outflows/Inflows of Resources

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

- Deferred outflow related to pensions. This amount is equal to employer contributions made after the measurement date of the net pension liability.
- Deferred outflow related to pensions for differences between expected and actual experiences. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the plans, which is 3.8 years.

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

- Deferred inflow related to pensions resulting from the difference in projected and actual earnings on investments of the pension plans fiduciary net position. This amount is amortized over five years.
- Deferred inflows from pensions resulting from changes in assumptions. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans, which is 3.8 years.
- Deferred inflow related to pensions for the changes in proportion and differences between employer contributions and the proportionate share of contributions. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans, which is 3.8 years.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

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

Operating Revenues and Expenses

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

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

Net Position

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

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

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

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

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
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

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

Risk Management

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

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

Property Loss - Insured up to \$150,000,000 per occurrence (total insurable value \$29,038,029) 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.

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

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

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

New Accounting Pronouncements

GASB Current Year Standards

In fiscal year 2015-2016, the District implemented Governmental Accounting Standards Board Statement No. 72, “Fair Value Measurement and Application” (GASB 72). GASB 72 requires the District to use valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach or income approach. GASB 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, and typically reflect management’s estimates of assumptions that market participants would use in pricing the asset or liability. GASB 72 also contains note disclosure requirements regarding the hierarchy of valuation inputs and valuation techniques that were used for the fair value measurements. There was no material impact on the District’s financial statements as a result of the implementation of GASB 72.

GASB Statement No. 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68”, was required to be implemented in the current fiscal year, except for those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for periods beginning after June 15, 2016, and did not impact the District.

GASB Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”, was required to be implemented in the current fiscal year and did not impact the District.

GASB Statement No. 79, “Certain External Investment Pools and Pool Participants”, was required to be implemented in the current fiscal year, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing, which are effective for periods beginning after December 15, 2015, and did not impact the District.

GASB Statement No. 82, “Pension Issues an Amendment of GASB Statement No. 67, No. 68 and No. 73”, changed the measurement of covered payroll reported in required supplementary information and has been early implemented.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

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

New Accounting Pronouncements (Continued)

GASB Pending Accounting Standards

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

- GASB 73 - "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68", the provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB 68, effective for periods beginning after June 15, 2016.
- GASB 74 - "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans", effective for periods beginning after June 15, 2016.
- GASB 75 - "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", effective for periods beginning after June 15, 2017.
- GASB 77 - "Tax Abatement Disclosure", effective for periods beginning after December 15, 2015.
- GASB 78 - "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans", effective for periods beginning after December 15, 2015.
- GASB 79 - "Certain External Investment Pools and Pool Participants", the certain provisions on portfolio quality, custodial credit risk, and shadow pricing, effective for periods beginning after December 15, 2015.
- GASB 80 - "Blending Requirements for Certain Component Units", effective for periods beginning after June 15, 2016.
- GASB 81 - "Irrevocable Split-Interest Agreements", effective for periods beginning after December 15, 2016.
- GASB 82 - "Pension Issues", effective for periods beginning after June 15, 2016, except for certain provisions on selection of assumptions, which is effective in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

Note 2 - Cash and Investments

The following is a detail of cash and cash equivalents as of June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Cash on hand	\$ 7,439	\$ 6,147
Deposits	515,117	599,935
State Treasurer's investment pool	9,077,818	10,941,309
California Asset Management Program	<u>260,414</u>	<u>6,657,184</u>
Total cash and cash equivalents	<u>\$ 9,860,788</u>	<u>\$ 18,204,575</u>

As of June 30, 2016 and 2015, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>2016 Fair Value</u>	<u>2015 Fair Value</u>
State Treasurer's investment pool	1 day	\$ 9,077,818	\$ 10,941,309
California Asset Management Program	1 day	<u>260,414</u>	<u>6,657,184</u>
Total cash equivalents		<u>\$ 9,338,232</u>	<u>\$ 17,598,493</u>
U.S. Treasury bills	6 months weighted	<u>\$ 19,464,400</u>	<u>\$ 19,485,885</u>
Total Investments		<u>\$ 19,464,400</u>	<u>\$ 19,485,885</u>

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

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

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, 2016, the District's bank balances were \$638,466, of which \$250,000 were insured and the remaining \$388,466 were collateralized with securities held by the pledging institution's trust department. As of June 30, 2015, the District's bank balances were \$402,133, of which \$250,000 were insured and the remaining \$152,133 were collateralized.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

Note 2 - Cash and Investments (Continued)

Fair Value Measurements

GASB Statement No. 72, Fair Value Measurement and Application, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the District's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the District's own data.

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The determination of what constitutes observable requires judgment by the District's management. District management considers observable data to be that market data which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market.

The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to District management's perceived risk of that investment.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

Note 2 - Cash and Investments (Continued)

Fair Value Measurements (Continued)

The following is a description of the valuation methods and assumptions used by the District to estimate the fair value of its investments. There have been no changes in the methods and assumptions used at June 30, 2016. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. District management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy. When quoted prices in active markets are not available, fair values are based on evaluated prices received from the District's custodian of investments in conjunction with the third party service provider results delivered to the independent certified public accountant organization providing this report.

For a large portion of the District's portfolio, the District's custodians generally use a multi-dimensional relational model. Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads and benchmark securities, among others.

The District has no investments categorized in Level 3. When valuing Level 3 securities, the inputs or methodology are not necessarily an indication of the risks associated with investing in those securities. Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy.

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

*Not subject to fair value measurement.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

Note 3 - Accounts Receivable, Net

As of June 30, 2016 and 2015, the net balances were comprised of accounts receivable balances of \$7,842,310 and \$7,449,667, respectively, less the allowances for doubtful accounts of \$519,692 and \$491,640, respectively.

On the Statements of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2016 and 2015, the balances of water sales, net of uncollectible accounts expense, were comprised of water sales revenues of \$41,239,946 and \$44,596,500, respectively, less uncollectible amounts of \$46,789 and \$1,690, respectively.

Note 4 - Capital Assets

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

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

Note 4 - Capital Assets (Continued)

Capital assets consisted of the following at June 30, 2015:

	<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	\$ 40,814	\$ -	\$ 6,001,127
Construction in progress	456,338	3,194,297	(2,295,667)	1,354,968
Total capital assets not being depreciated	<u>6,416,651</u>	<u>3,235,111</u>	<u>(2,295,667)</u>	<u>7,356,095</u>
Capital assets being depreciated:				
Buildings, canals, pipelines, reservoirs and dams	146,320,440	2,752,855	(37,476)	149,035,819
Equipment	5,228,882	417,137	(367,078)	5,278,941
Henshaw pumping project	2,977,296	54,618	(28,119)	3,003,795
Total capital assets being depreciated	<u>154,526,618</u>	<u>3,224,610</u>	<u>(432,673)</u>	<u>157,318,555</u>
Less accumulated depreciation for:				
Buildings, canals, pipelines, reservoirs and dams	(72,378,776)	(3,044,142)	37,423	(75,385,495)
Equipment	(4,182,763)	(290,389)	359,929	(4,113,223)
Henshaw pumping project	(2,623,467)	(28,732)	28,119	(2,624,080)
Total accumulated depreciation	<u>(79,185,006)</u>	<u>(3,363,263)</u>	<u>425,471</u>	<u>(82,122,798)</u>
Total capital assets being depreciated, net	<u>75,341,612</u>	<u>(138,653)</u>	<u>(7,202)</u>	<u>75,195,757</u>
Total capital assets, net	<u>\$ 81,758,263</u>	<u>\$ 3,096,458</u>	<u>\$ (2,302,869)</u>	<u>\$ 82,551,852</u>

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

Note 5 - Accounts Payable

At June 30, 2016, the accounts payable of \$4,561,766 included \$3,524,222 for water purchases from the San Diego County Water Authority and \$1,037,544 for obligations to other vendors. The accounts payable of \$4,331,156 at June 30, 2015 included \$2,869,116 for water purchases from the San Diego County Water Authority and \$1,462,040 for obligations to other vendors.

Note 6 - Noncurrent Liabilities

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

Changes in the claims payable amounts in fiscal years ended June 30, 2016 and 2015 were as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Consumer Price Adjustment</u>	<u>Ending Balance</u>
2015	\$ 4,190,193	\$ 55,172	\$ 4,245,365
2016	\$ 4,245,365	\$ 83,906	\$ 4,329,271

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>2016</u>	<u>2015</u>
Emergency and contingency	\$ 8,000,000	\$ 8,000,000
Working capital	8,000,000	9,000,000
Future construction	5,521,079	2,643,279
Ranch improvements	109,119	81,169
Total unrestricted net position	<u>\$ 21,630,198</u>	<u>\$ 19,724,448</u>

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

Note 8 - Defined Benefit Pension Plan

A. General Information about the Pension Plan

Plan Description

The Plan is a cost-sharing, multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not account purposes), and membership information is listed in the June 30, 2015 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. The actuarial valuation report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications, at www.calpers.ca.gov.

Benefits Provided

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

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

Note 8 - Defined Benefit Pension Plan (Continued)

A. General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

The Plan's provisions and benefits in effect at June 30, 2016 are summarized as follows:

	Miscellaneous Plan		
	Tier 1	Tier 2	PEPRA
Hire date	prior to 1/1/2012	from 1/1/12 to 12/31/12	on or after 1/1/13
Benefit formula	3% @ 60	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 60	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	1.092% - 2.418%	1.0% to 2.5%
Required employee contribution rates	4.5%	7.0%	6.25%
Required employer contribution rates	21.322%	8.005%	6.25%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by Miscellaneous risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement periods ended June 30, 2015 and 2014 (the measurement dates), the average active employee contribution rates for the respective miscellaneous Tier 1, Tier 2, and PEPRA plans were 4.5%, 7.0%, and 6.25% of annual pay. The employer's contribution rates were 21.322%, 8.005%, and 6.25% of annual payroll for the measurement period ended June 30, 2015, and 20.273%, 8.049% and 6.25% for the measurement period ended June 30, 2014. Employer contribution rates may change if plan contracts are amended. Employer Contributions for the measurement period ended June 30, 2015 and 2014 for the combined miscellaneous Tier 1, Tier 2, and PEPRA plans were \$1,488,966 and 1,459,677, respectively.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

Note 8 - Defined Benefit Pension Plan (Continued)

B. Net Pension Liability

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

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

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

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

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

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

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

Note 8 - Defined Benefit Pension Plan (Continued)

B. Net Pension Liability

Change of Assumptions

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

Discount Rate

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

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

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

Note 8 - Defined Benefit Pension Plan (Continued)

B. Net Pension Liability (Continued)

Discount Rate (Continued)

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ²
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	2.0%	(0.55%)	(1.05%)
Total	<u>100%</u>		

¹ An expected inflation of 2.5% used for this period

² An expected inflation of 3.0% used for this period

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

Note 8 - Defined Benefit Pension Plan (Continued)

C. Proportionate Share of Net Pension Liability

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

Miscellaneous Plan:

	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2014 (VD)	\$ 79,703,912	\$ 66,177,159	\$ 13,526,753
Balance at: 6/30/2015 (MD)	\$ 81,295,803	\$ 65,572,018	\$ 15,723,785
Net Changes during 2014-15	\$ 1,591,891	\$ (605,141)	\$ 2,197,032

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

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The District's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website under Forms and Publications, at www.calpers.ca.gov. The District's proportionate share of the net pension liability for the Plan as of June 30, 2014 and 2015 was as follows:

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

Note 8 - Defined Benefit Pension Plan (Continued)

C. Proportionate Share of Net Pension Liability (Continued)

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

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

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

Note 8 - Defined Benefit Pension Plan (Continued)

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

For the measurement period ending June 30, 2015 (the measurement date), the District incurred a pension expense of \$978,564 for the Plan.

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

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

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

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

E. Payable to the Pension Plan

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

Note 9 - Other Postemployment Benefits

Plan Description

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

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

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

The District fully funds its OPEB liability through the CERBT. For the years ended June 30, 2016 and 2015, the District was fully funded in a prepaid status (in relation to the Annual Required Contribution), and was not required to make any contributions to the CERBT.

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

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 2016	Retiree Healthcare Plan 2015
Annual required contribution	\$ 300,155	\$ 316,284
Interest on net OPEB asset	(173,526)	(172,439)
Adjustment to annual required contribution	<u>172,422</u>	<u>138,785</u>
Annual OPEB cost (expense)	299,051	282,630
Contributions made	<u>(1,951,272)</u>	<u>(391,306)</u>
Increase (decrease) in net OPEB obligation/(asset)	(1,652,221)	(108,676)
Net OPEB obligation (asset) - beginning of year	<u>(2,374,626)</u>	<u>(2,265,950)</u>
Net OPEB obligation (asset) - end of year	<u>\$ (4,026,847)</u>	<u>\$ (2,374,626)</u>

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

Note 9 - Other Postemployment Benefits (Continued)

Funding Policy and Annual OPEB Cost (Continued)

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

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

	Year End	Annual OPEB Cost	Actual Contribution	Percent of OPEB Cost Contributed	Net OPEB Obligation (Asset)
Retiree Healthcare Plan	June 30, 2014	\$306,082	\$2,505,415	818.5%	(\$2,265,950)
Retiree Healthcare Plan	June 30, 2015	\$282,630	\$391,306	138.5%	(\$2,374,626)
Retiree Healthcare Plan	June 30, 2016	\$299,051	\$1,951,272	652.5%	(\$4,026,847)

Funded Status and Funding Progress

The funded status of the plan was as follows:

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

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

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

Note 9 - Other Postemployment Benefits (Continued)

Actuarial Methods and Assumptions

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

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

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

Note 10 - Commitments and Contingencies

Commitments

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
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

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 \$30 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
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

Note 10 - Commitments and Contingencies (Continued)

Commitments (Continued)

- c) The Rincon Band's revised entitlement to local water is estimated to cost the District approximately \$290,000 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
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

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.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015)**

Note 11 – Subsequent Events

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through December 5, 2016, the date the financial statements were available to be issued.

**VISTA IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

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

Last 10 Years*

	Measurement Date <u>6/30/2015</u>	Measurement Date <u>6/30/2014</u>
Plan's Proportion of the Net Pension Liability ¹	0.22908%	0.21738%
Plan's Proportionate Share of the Net Pension Liability	\$ 15,723,785	\$ 13,526,753
Plan's Covered-Employee Payroll ²	\$ 7,473,687	\$ 7,494,718
Plan's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	210.39%	180.48%
Plan's Proportionate Share of the Fiduciary Net Position as a percentage of the Plan's Total Pension Liability	80.66%	83.03%
Plan's Proportionate Share of Aggregate Employer Contributions ³	\$ 1,487,007	\$ 1,789,539

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

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

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

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

**VISTA IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

Schedule of Plan Contributions
Last 10 Years*

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

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

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



Statistical Section

This Page Intentionally Blank

STATISTICAL SECTION

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

CONTENTS	PAGE
Financial Trends	49
<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	51
<i>These schedules contain information to help the reader access the District’s most significant local revenue source.</i>	
Demographic and Economic Information	55
<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	57
<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.

This Page Intentionally Blank

Table I
NET POSITION BY COMPONENT
Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net Position					
Net investment in capital assets	\$ 84,550,252	\$ 82,551,852	\$ 81,758,263	\$ 83,082,019	\$ 82,359,487
Unrestricted	21,630,198	19,724,448	31,251,239	24,015,914	17,912,540
Total Net Position	<u>\$ 106,180,450</u>	<u>\$ 102,276,300</u>	<u>\$ 113,009,502</u>	<u>\$ 107,097,933</u>	<u>\$ 100,272,027</u>

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net Position					
Net investment in capital assets	\$ 82,216,322	\$ 80,952,196	\$ 78,971,219	\$ 78,227,737	\$ 74,880,933
Unrestricted	13,013,133	15,834,495	15,163,715	15,374,171	22,659,076
Total Net Position	<u>\$ 95,229,455</u>	<u>\$ 96,786,691</u>	<u>\$ 94,134,934</u>	<u>\$ 93,601,908</u>	<u>\$ 97,540,009</u>

Source: Vista Irrigation District

Table II
CHANGES IN NET POSITION
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Operating Revenues:										
Water sales	\$ 41,193,157	\$ 44,594,810	\$ 46,858,642	\$ 44,675,640	\$ 38,929,306	\$ 36,935,147	\$ 35,112,935	\$ 30,785,729	\$ 30,158,938	\$ 29,112,733
Property rentals	718,075	738,767	705,845	666,495	475,148	740,341	546,448	556,131	505,513	342,836
Other services	657,891	428,667	454,842	206,602	285,692	282,608	342,551	244,894	522,448	598,243
System fees	622,039	853,041	667,311	228,954	297,553	332,643	94,243	130,683	354,184	879,943
Total operating revenues	43,191,162	46,615,285	48,686,640	45,777,691	39,987,699	38,290,739	36,096,177	31,717,437	31,541,083	30,933,755
Operating Expenses:										
Purchased water	18,721,053	19,235,486	21,351,934	19,438,447	14,767,680	11,705,489	13,956,299	11,978,556	13,814,124	12,426,903
Wages and benefits	11,870,598	12,298,801	12,026,730	11,902,693	12,223,638	13,207,539	12,540,325	12,374,900	12,151,999	11,180,783
Depreciation	2,581,311	3,363,263	3,222,382	3,122,974	3,022,459	2,967,954	2,893,214	2,839,422	2,731,596	2,577,112
Contractual services	4,125,191	3,827,299	3,932,249	3,551,800	3,554,268	3,228,825	2,592,296	2,721,679	2,650,631	2,870,002
Supplies	1,396,166	1,309,636	1,369,388	969,997	1,078,481	1,025,154	956,271	1,107,503	1,226,572	1,115,256
Professional fees	700,489	658,616	634,801	799,509	831,775	730,715	822,454	709,350	911,761	435,822
Power	656,238	662,164	603,100	735,024	434,811	536,753	575,442	732,570	737,235	302,994
Office and general	489,547	488,237	445,363	477,700	422,474	419,434	515,170	549,509	659,782	574,360
Insurance	531,811	489,023	476,242	407,580	363,291	332,528	291,909	257,289	266,362	279,861
Uncollectible accounts	-	-	60,389	54,046	72,180	80,472	125,418	125,851	83,509	59,483
Communications	49,845	55,126	57,814	61,278	72,668	83,428	68,200	64,225	68,093	65,675
Burden allocation	(1,255,779)	(945,126)	(947,821)	(934,908)	(1,074,815)	(932,041)	(1,277,798)	(1,045,086)	(938,878)	(879,541)
Total operating expenses	39,866,470	41,442,325	43,232,571	40,586,140	35,768,910	33,386,250	34,059,200	32,415,768	34,362,786	31,008,710
Operating Income (Loss)	3,324,692	5,172,960	5,454,069	5,191,551	4,218,789	4,904,489	2,036,977	(698,331)	(2,821,703)	(74,955)
Nonoperating Revenues (Expenses):										
Property taxes	384,960	381,843	443,255	387,889	313,008	305,985	367,482	340,351	348,561	327,361
Investment income	129,591	63,423	45,451	53,471	47,225	79,800	76,377	359,773	886,671	1,192,890
Gain (Loss) on disposal of capital assets	(16,209)	30,557	(3,819)	9,414	(6,235)	(22,426)	(53,133)	7,339	-	-
Interest Expense	-	-	-	-	-	-	(192,500)	(144,375)	-	-
Federal and state assistance	-	42,810	-	64,015	-	578	-	-	-	17,081
Legal settlement	(83,905)	(55,173)	(94,732)	(57,090)	(83,096)	231,600	-	-	(3,850,000)	-
Total Nonoperating Revenues (Expenses)	414,437	463,460	390,155	457,699	270,902	595,537	198,226	563,088	(2,614,768)	1,537,332
Income (Loss) Before Contributed Capital	3,739,129	5,636,420	5,844,224	5,649,250	4,489,691	5,500,026	2,235,203	(135,243)	(5,436,471)	1,462,377
Contributed Capital	165,021	499,911	67,345	1,176,656	552,861	1,174,858	416,554	668,269	1,498,370	1,070,725
Change in net position	3,904,150	6,136,331	5,911,569	6,825,906	5,042,572	6,674,884	2,651,757	533,026	(3,938,101)	2,533,102
Net Position, beginning of year	102,276,300	113,009,502	107,097,933	100,272,027	95,229,455	96,786,691	94,134,934	93,601,908	97,540,009	95,006,907
Prior Period Adjustment	-	(16,869,533)	-	-	-	(8,232,120)	-	-	-	-
Net Position, end of year	\$106,180,450	\$102,276,300	\$ 113,009,502	\$ 107,097,933	\$ 100,272,027	\$ 95,229,455	\$ 96,786,691	\$ 94,134,934	\$ 93,601,908	\$ 97,540,009

Source: Vista Irrigation District

Table III
WATER SALES BY USER TYPE
Last Ten Fiscal Years

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

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>
2016	24,036	1,587	918	574	1,237	91	28,443
2015	24,191	1,606	914	586	1,236	92	28,625
2014	24,191	1,608	897	562	1,228	94	28,580
2013	24,048	1,601	889	567	1,218	92	28,415
2012	24,061	1,603	887	555	1,211	92	28,409
2011	23,974	1,630	877	557	1,183	92	28,313
2010	23,958	1,647	864	568	1,177	91	28,305
2009	23,982	1,597	838	573	1,138	90	28,218
2008	23,778	1,614	825	740	1,111	84	28,152
2007	23,592	1,620	816	753	1,011	80	27,872

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	
2016**	\$4.04	\$4.58	\$4.58	\$4.36	\$35.85
2015**	\$3.73	\$4.27	\$4.27	\$4.05	\$33.67
2014**	\$3.61	\$4.15	\$4.15	\$3.93	\$32.85
2013**	\$3.52	\$4.06	\$4.06	\$3.84	\$31.87
2012**	\$3.29	\$3.83	\$3.83	\$3.61	\$30.04
2011**	\$3.01	\$3.55	\$3.55	\$3.33	\$29.30
2010***	\$2.69	\$3.23	\$4.37	\$3.01	\$29.30
2009	\$2.34	NA	NA	\$2.00	\$23.70
2008	\$2.14	NA	NA	\$1.80	\$22.70
2007	\$1.98	NA	NA	\$1.64	\$21.40

* 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, 2016</u>			<u>Fiscal Year ended June 30, 2007</u>		
<u>Customer</u>	<u>Usage in Acre Feet</u>	<u>Percent of Water Sold</u>	<u>Customer</u>	<u>Usage in Acre Feet</u>	<u>Percent of Water Sold</u>
Courthouse	86.3	0.60%	Golf Course	333.6	1.47%
Industrial	61.3	0.42%	Courthouse	115.4	0.51%
Industrial	58.1	0.40%	Agriculture	57.5	0.25%
Mobile Home Park	39.4	0.27%	Industrial	55.9	0.25%
Agriculture	37.8	0.26%	Agriculture	49.8	0.22%
Apartments	36.0	0.25%	Agriculture	45.6	0.20%
Mobile Home Park	33.4	0.23%	Convalescent	42.3	0.19%
Mobile Home Park	32.1	0.22%	Mobile Home Park	40.4	0.18%
High School	30.8	0.21%	Commercial	39.1	0.17%
Agriculture	27.4	0.19%	Industrial	39.0	0.17%
Total Top Ten Customers	<u>442.6</u>	<u>3.07%</u>	Total Top Ten Customers	<u>818.6</u>	<u>3.61%</u>
Other Customers	<u>13,989.5</u>	<u>96.93%</u>	Other Customers	<u>21,826.2</u>	<u>96.39%</u>
Total Water Sales	<u><u>14,432.1</u></u>	<u><u>100.00%</u></u>	Total Water Sales	<u><u>22,644.8</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)
2007	121,602	3.07	5.1%	\$38,730	\$4,710,000
2008	122,677	3.10	6.7%	\$39,520	\$4,847,900
2009	123,312	3.11	10.7%	\$38,360	\$4,730,100
2010	124,569	3.12	11.8%	\$38,030	\$4,737,000
2011	126,533	3.12	11.2%	\$38,250	\$4,839,400
2012	126,891	3.12	9.9%	\$38,420	\$4,875,400
2013	128,185	3.13	8.4%	\$38,620	\$4,951,000
2014	128,424	3.13	5.7%	\$39,170	\$5,030,200
2015	128,667	3.13	4.6%	\$39,870	\$5,129,700
2016	129,353	3.14	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>

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

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

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

Source: SANDAG

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

Fiscal Year Ended June 30, 2016 ⁽¹⁾			Fiscal Year Ended June 30, 2007 ⁽²⁾		
Employer Name	Industry	No. of Employees	Employer Name	Industry	No. of Employees
University of California, San Diego	Education	10,000+	City of San Diego	Government	10,000+
County of San Diego	Government	10,000+	County of San Diego	Government	10,000+
United States Navy, San Diego	Government - Military	10,000+	San Diego Unified School District	Education	10,000+
City of San Diego	Government	10,000+	Sharp Healthcare	Education	10,000+
San Diego Unified School District	Education	10,000+	United States Gov't 32 nd Street Naval Sta.	Government – National Security	10,000+
Sharp Healthcare	Healthcare	10,000+	United States Gov't North Island NAS	Government – National Security	10,000+
Scripps Healthcare	Healthcare	10,000+	Kaiser Permanente	Healthcare	5,000-9,999
Qualcomm, Inc.	Technology	5,000-9,999	San Diego Naval Medical Center	Healthcare	5,000-9,999
Kaiser Medical Center	Healthcare	5,000-9,999	Goodrich Aerospace	Aerospace	1,000-4,999
San Diego State University	Education	5,000-9,999	Kyocera Wireless Corp	Telecommunications	1,000-4,999

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

²Employment Development Department Website

Table IX
NUMBER OF EMPLOYEES
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Employees	87	88	84	90	94	94	101	104	103	100
Average Years of Service	12.0	11.6	11.9	11.7	11.8	11.1	10.4	10.4	11.4	11.2

Source: Vista Irrigation District

Table X
OPERATING AND CAPITAL INDICATORS
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Service Area (acres)*	21,160	21,160	21,200	21,200	21,200	21,200	21,200	21,200	21,200	19,800
Miles of water main (4" and larger)	473	473	473	473	471	470	470	469	469	466
Number of enclosed reservoirs	12	12	12	12	12	12	12	14	14	14
Capacity of enclosed reservoirs (acre feet)	141	142	142	142	142	142	142	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	7	7	8	8	8	8
Number of pumps	18	18	18	18	18	18	19	19	19	19
Total capacity of pumps (horsepower)	1,045	1,045	1,045	1,045	1,055	1,055	1,075	1,110	1,110	1,110
Number of service connections	28,443	28,649	28,609	28,435	28,435	28,314	28,305	28,255	28,152	27,872
Number of meters in service	27,999	28,341	28,272	28,208	28,149	28,028	27,974	27,896	27,770	27,062
Production peak (million gallons per day)	20	24	32	28	26	27	31	31	37	42
Average production (million gallons per day)	14	16	18	18	17	16	19	20	21	21
Total rainfall (inches) - Lake Henshaw	21	16	13	14	20	36	33	19	30	9
Total rainfall (inches) - Vista	11	8	5	9	11	25	18	13	15	8
Average daily temperature (F) - Lake Henshaw	59	60	60	57	55	55	56	58	58	59
Average daily temperature (F) - Vista	64	64	63	62	61	61	67	64	64	60
Electricity purchased (1,000 kWh) - Service Area	1,081	1,094	1,078	1,244	1,123	1,719	1,768	1,590	1,804	1,860
Electricity purchased (1,000 kWh) - Lake Henshaw	3,176	3,352	3,310	3,800	1,315	2,178	3,178	3,841	4,100	1,475
Natural gas purchased	5,970	5,573	5,777	6,500	6,990	5,379	5,928	8,792	9,674	9,107
Mainline repairs	29	33	32	41	40	47	20	21	25	22

*In 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

Board of Directors
Vista Irrigation District
Vista, California

We have audited the financial statements of Vista Irrigation District (the District) for the year ended June 30, 2016. 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 August 18, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. As discussed in Note 1 to the financial statements, in fiscal year 2015-2016, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 72, "Fair Value Measurement and Application". GASB Statement No. 72 requires the District to use valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach or income approach. GASB Statement No. 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. GASB Statement No. 72 also contains note disclosure requirements regarding the hierarchy of valuation inputs and valuation techniques that were used for the fair value measurements. There was no material impact on the District's financial statements as a result of the implementation of GASB Statement No. 72. No other accounting policies were adopted and the application of other existing policies was not changed during the year ended June 30, 2016. 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.

Significant Audit Findings (Continued)

Qualitative Aspects of Accounting Practices (Continued)

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

- a. When available, management's estimate of the fair value of investments is based on quoted prices in active market. When quoted prices in active markets are not available, fair values are based on evaluated prices received by the District's from third party service provider.
- b. Management's estimate of useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- c. Management's estimate of the allowance for doubtful accounts is based on historical water revenues, historical loss levels, and an analysis of the collectability of individual accounts.
- d. The annual required contributions, pension expense, net pension liability and corresponding deferred outflows of resources and deferred inflows of resources for the District's public defined benefit plans with CalPERS are based on actuarial valuations provided by CalPERS.
- e. Management's estimate of the Medical Post-Employment Benefits Plan actuarial accrued liability which impacts the annual required contributions are based upon several key assumptions that are set by management with the assistance of an independent third party actuary. These key assumptions include anticipated investment rate of return, health care cost trends, projected salary increases, mortality and certain amortization periods.

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

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely adjustments identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Significant Audit Findings (Continued)

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the 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 5, 2016.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

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

Restriction on Use

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

White Nelson Dick Evans LLP

Irvine, California
December 5, 2016

Vista Irrigation District
Schedule of Uncorrected Misstatements
June 30, 2016

<u>AJE</u>	<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
#1	Unrestricted Net Position	76,162	
	Wages - General	61,931	
	Accrued Wages		138,093

To record additional accrued payroll related to fiscal 2015 & 2016.

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

Board of Directors of the
Vista Irrigation District
Vista, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Vista Irrigation District (the District) as of and for the year ended June 30, 2016, 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 5, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain other matters that we have reported to the Board of Directors in a separate letter dated December 5, 2016.

Purpose of This Report

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

White Nelson Dick Evans LLP

Irvine, California
December 5, 2016

Board of Directors of the
Vista Irrigation District
Vista, California

In planning and performing our audit of the financial statements of the Vista Irrigation District (the District) as of and for the year ended June 30, 2016 in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

As discussed below, we identified a certain matter involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated December 5, 2016 on the financial statements of the District. Our comment and recommendation are intended to improve the internal control or result in other operating efficiencies.

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

Census Data

Auditors' Comment and Recommendation

During our review of census data provided to the actuary for the purpose of calculating the District's unfunded liability and annual required contribution related to the Other Postemployment Benefits Plan, we noted the following:

- The Retirement date for one of the retirees selected for testing was incorrect.
- The hire dates for two active participants selected for testing were incorrect. Per further inquiry, both participants were originally hired as temporary and were not entitled to benefits, including post-retirement health care. They were subsequently hired as permanent employees and at that time became entitled to post-retirement health care. The District used their hire date when they were temporary employees instead of the hire date when they became permanent employee.

We recommend District establish procedures to ensure that census data provided to actuary are accurate.

Management's response

The District has established a procedure by which the Human Resources Department will review and verify the accuracy of census data prior to it being provided to the actuary.

District's Response to the Finding

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

White Nelson Dick Evans LLP

December 5, 2016
Carlsbad, California



STAFF REPORT

Agenda Item: 8

Board Meeting Date: January 4, 2017
Prepared By: Marlene Kelleher
Reviewed By: Brett Hodgkiss
Approved By: Eldon Boone

SUBJECT: FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2016

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

PRIOR BOARD ACTION: None.

FISCAL IMPACT: None.

SUMMARY: Attached for review by the Board of Directors is the Financial Report for the Year Ended June 30, 2016. 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 \$1,975,911, which included an estimated value of \$1,400,424 in local water that was provided to the District. The expenses were \$2,725,928, which included \$417,917 for legal and consulting fees related to the water rights litigation. The Lake Henshaw operations resulted in a \$833,922 net loss for Fiscal Year 2016.

The budget reports compare the actual results for the year ended June 30, 2016 with the budgeted amounts approved by the Board.

Overall, the District experienced a \$3.3 million operating gain this fiscal year which is a reduction from the \$5.2 million operating gain for the prior fiscal year. The District purchased \$18.7 million of imported water from the San Diego County Water Authority.

DETAILED REPORT: See attached Financial Report for the Year Ended June 30, 2016.



FINANCIAL REPORT
For the Year Ended
June 30, 2016

(UNAUDITED)

VISTA IRRIGATION DISTRICT

Table of Contents

	<i>Page</i>
FINANCIAL STATEMENTS	
Lake Henshaw Operations – Statements of Revenues and Expenses	1
BUDGET REPORTS	
Water Statistics Budget Comparison	2
Revenue and Expense Budget Comparison	3-4
Capital Outlay Comparison.....	5-6
SPECIAL REPORTS	
Property Revenues	7
Legal Expenses	8



FINANCIAL STATEMENTS

LAKE HENSHAW OPERATIONS

STATEMENTS OF REVENUES AND EXPENSES

Years Ended June 30, 2016 and 2015

(Unaudited)

	2016	2015
Revenues:		
Value of local water produced	\$ 1,400,424	\$ 1,399,397
Property rentals	537,322	527,597
Contract water sales	38,165	29,841
Total Revenues	<u>1,975,911</u>	<u>1,956,835</u>
Expenses:		
Burden allocation	610,583	727,998
Contractual services	483,731	408,532
Professional fees	542,974	376,334
Power	382,480	403,821
Depreciation	297,457	292,586
Wages	260,933	324,999
Supplies	95,864	112,967
Insurance	33,352	28,522
Office and general	18,504	14,173
Communications	50	-
Total Expenses	<u>2,725,928</u>	<u>2,689,932</u>
Operating Loss	<u>(750,017)</u>	<u>(733,097)</u>
Nonoperating Revenues (Expenses):		
Legal settlement	<u>(83,905)</u>	<u>(55,173)</u>
Total Nonoperating Revenues (Expenses)	<u>(83,905)</u>	<u>(55,173)</u>
NET LOSS	<u>\$ (833,922)</u>	<u>\$ (788,270)</u>



BUDGET REPORTS

VISTA IRRIGATION DISTRICT

WATER STATISTICS BUDGET COMPARISON Year Ended June 30, 2016 (In Acre Feet)

	Actual	Budget	Percentage of Budget
WATER SOURCES:			
Water Purchases	14,230	11,059	129%
Local Water	<u>1,582</u>	<u>4,596</u>	34%
Total Water Sources	<u><u>15,812</u></u>	<u><u>15,655</u></u>	101%
WATER SALES	<u><u>14,244</u></u>	<u><u>14,833</u></u>	96%

VISTA IRRIGATION DISTRICT

REVENUE AND EXPENSE BUDGET COMPARISON Year Ended June 30, 2016

	Actual	Budget	Percentage of Budget
OPERATING REVENUES			
Water sales:			
Single family	\$ 12,186,404	\$ 13,298,000	92%
Multiple family	4,844,280	3,734,000	130%
Irrigation	2,562,469	3,466,000	74%
Commercial	1,999,711	1,692,000	118%
Agricultural	1,588,646	1,464,000	109%
Industrial	1,038,111	866,000	120%
Mobile homes	648,335	503,000	129%
Government	477,063	871,000	55%
Contract water	38,165	58,000	66%
Unmetered	6,287	6,000	105%
Service charges	15,850,475	15,988,000	99%
Subtotal water sales	<u>41,239,946</u>	<u>41,946,000</u>	
Property rentals	718,075	693,000	104%
Other services:			
Non construction services	403,359	200,500	201%
New installations	254,532	200,000	127%
Subtotal other services	<u>657,891</u>	<u>400,500</u>	
System fees:			
Capacity	537,844	800,000	67%
Connection	75,700	-	-
Annexation and detachments	8,495	-	-
Subtotal system fees	<u>622,039</u>	<u>800,000</u>	
Total Operating Revenues	<u>43,237,951</u>	<u>43,839,500</u>	99%
OPERATING EXPENSES			
Purchased water	18,721,053	14,721,900	127%
Wages and benefits:			
Salaries	7,937,899	8,133,000	98%
Employee health insurance	1,745,922	1,790,000	98%
FICA & medicare	584,868	580,000	101%
PERS retirement	978,564	1,800,000	54%
Retiree medical insurance	167,002	415,000	40%
Workers compensation	250,083	230,000	109%
Deferred compensation plan	101,372	95,000	107%
Life and disability insurance	67,896	65,000	104%
Uniforms	28,938	30,000	96%
Tuition reimbursement	3,675	2,000	184%
EAP counseling	2,401	2,800	86%
Unemployment insurance	1,978	6,000	33%
Subtotal wages and benefits	<u>11,870,598</u>	<u>13,148,800</u>	

VISTA IRRIGATION DISTRICT

REVENUE AND EXPENSE BUDGET COMPARISON Year Ended June 30, 2016

	Actual	Budget	Percentage of Budget
Contractual services	4,125,191	4,349,480	95%
Depreciation	2,581,311	3,475,000	74%
Supplies	1,396,166	1,248,795	112%
Professional fees:			
Legal	534,931	510,000	105%
Consulting	152,583	220,000	69%
Audit	12,975	20,000	65%
Subtotal professional fees	<u>700,489</u>	<u>750,000</u>	
Power	656,238	669,800	98%
Insurance	531,811	402,000	132%
Office and general:			
Fees and permits	137,894	136,340	101%
Postage	70,949	80,800	88%
Employment related expense	61,412	58,910	104%
Training	50,804	48,500	105%
Dues, subscriptions, and publications	48,111	50,700	95%
Travel	43,618	38,300	114%
Office supplies	39,409	30,200	130%
Computer hardware	11,664	15,500	75%
Computer software	10,000	18,500	54%
Awards and contributions	8,597	7,000	123%
Printing	7,089	15,300	46%
Subtotal office and general	<u>489,547</u>	<u>500,050</u>	
Communications	49,845	61,100	82%
Uncollectible accounts	46,789	62,000	75%
Burden allocation	(1,255,779)	(900,000)	140%
Total Operating Expenses	<u>39,913,259</u>	<u>38,488,925</u>	104%
Operating Income	3,324,692	5,350,575	62%
NONOPERATING REVENUES (EXPENSES)			
Property taxes	384,960	461,000	84%
Investment income	129,591	55,000	236%
Loss on disposal of capital assets	(16,209)	-	-
Legal settlement	(83,905)	(78,000)	108%
Total Nonoperating Revenues	<u>414,437</u>	<u>438,000</u>	95%
Income Before Contributed Capital	<u>\$ 3,739,129</u>	<u>\$ 5,788,575</u>	65%

VISTA IRRIGATION DISTRICT

CAPITAL OUTLAY COMPARISON

June 30, 2016

	Budget Item #	Board Approved (Inception To Date)	Outlay To Date	Capital Outlay Remaining
ADMINISTRATION:				
Website Development	15-01	\$ 30,000	\$ 23,100	\$ -
Copier	16-01	10,000	10,204	-
		<u>40,000</u>	<u>33,304</u>	<u>-</u>
CUSTOMER SERVICE:				
Utility Billing Software	16-02	125,000	50,278	74,722
ENGINEERING:				
E43 Regulator Relocation & Upgrade	10-02	15,000	-	15,000
AB Line Replacement	11-04	500,000	125,880	374,120
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
Paseo Santa Fe Street Pipeline	14-03	650,000	552,182	-
Isolation Valve	14-06	100,000	81,801	-
Flume - Siphon Replacement	15-03	1,300,000	57,581	1,242,419
FY 2015 Main Replacement Program	15-04	1,000,000	2,172,814	-
Flume - Pressure Zone Loop	15-05	280,000	12,269	267,731
Recycled Water Project	15-06	50,000	-	50,000
FY 2016 Main Replacement Program	16-03	1,500,000	1,232,610	267,390
E Reservoir	16-04	50,000	-	50,000
Paseo Santa Fe Project	16-05	20,000	-	20,000
		<u>6,075,000</u>	<u>4,235,137</u>	<u>2,896,660</u>
FIELD SERVICES:				
Asset Management Software	15-08	60,000	16,000	-
Vehicles (5)	16-06	199,000	90,277	108,723
Backhoe	16-07	135,000	109,780	-
Valve Operator	16-08	65,000	-	65,000
Locator	16-09	6,000	5,525	-
Truck 3/4 ton	-	-	33,984	-
		<u>465,000</u>	<u>255,566</u>	<u>173,723</u>
FINANCE:				
Network Switch	15-10	23,000	22,069	-
Tape Autoloader	16-10	5,500	-	5,500
		<u>28,500</u>	<u>22,069</u>	<u>5,500</u>
OPERATIONS:				
SCADA Control Panels (4)	15-12	180,000	160,494	-
Regulator (2)	16-11	114,000	76,630	-
SCADA Control Panels (2)	16-12	86,000	57,381	-
Flow Meter	16-13	52,000	37,108	14,892
		<u>432,000</u>	<u>331,613</u>	<u>14,892</u>

VISTA IRRIGATION DISTRICT

CAPITAL OUTLAY COMPARISON

June 30, 2016

	Budget Item #	Board Approved (Inception To Date)	Outlay To Date	Capital Outlay Remaining
WATER RESOURCES:				
On-Site Chlorine Generation System	11-12	1,750,000	2,077,543	-
SCADA Control Panels (5)	15-16	71,000	59,230	-
SCADA Control Panels (5)	16-14	73,000	66,195	-
Leach Fields (2)	16-15	14,000	-	14,000
		<u>1,908,000</u>	<u>2,202,968</u>	<u>14,000</u>
		<u>\$ 9,073,500</u>	<u>\$ 7,130,935</u>	<u>\$ 3,179,497</u>



SPECIAL REPORTS

VISTA IRRIGATION DISTRICT

PROPERTY REVENUES

Years Ended June 30, 2016 and 2015

	6/30/16	6/30/15
Hein Hettinga	\$ 194,861	\$ 192,936
Department of Defense - Navy 2nd lease	93,916	92,437
My Country Club, Inc.	80,000	80,000
Department of Defense - Navy	52,866	52,033
Crown Castle - Cabrillo Circle	44,215	42,927
T-Mobile - Lupine Hills	44,136	42,850
Lake Henshaw Resort, Inc.	39,445	32,459
Crown Castle GT Co.	37,569	36,475
Cingular Wireless/AT&T	37,057	35,226
Verizon Wireless	19,054	18,867
Sprint	18,626	18,494
Crown Castle - Vista Towers	16,794	16,226
Mendenhall Cattle Company, Inc.	13,416	13,194
Puerta La Cruz	11,670	11,702
Sempra Energy	11,665	11,620
Charles Chester Taylor	1,650	1,500
County of San Diego - Warner Pit	725	1,831
Vallecitos Water District	360	360
Department of Agriculture	50	-
Nextel Communications	-	21,471
San Diego County Water Authority	-	13,500
Noll Seeds	-	2,659
	<hr/>	<hr/>
TOTAL PROPERTY REVENUES	<u>\$ 718,075</u>	<u>\$ 738,767</u>

VISTA IRRIGATION DISTRICT

LEGAL EXPENSES Year Ending Jun 30, 2016

General Legal Fees

Liebert, Cassidy & Whitmore	General	3,415	
Best Best & Krieger LLP	General	2,778	
Rutan & Tucker LLP	General	<u>110,821</u>	
			\$ 117,014

Water Rights Legal Fees

Horton, Knox, Carter & Foote	Indians	373,649	
Rutan & Tucker LLP	QSA	1,740	
Wilmer Cutler Pickering & Dorr LLP	Indians	<u>42,528</u>	
			<u>417,917</u>

Total Legal Costs (12 months)			\$ <u><u>534,931</u></u>
--------------------------------------	--	--	---------------------------------

Total Budgeted Legal Costs (12 months)			\$ <u><u>510,000</u></u>
---	--	--	---------------------------------



STAFF REPORT

Agenda Item: 9

Board Meeting Date: January 4, 2017
Prepared By: Brett Hodgkiss, Don Smith, and Brian Smith
Approved By: Eldon Boone

SUBJECT: DIVISION REPORTS

RECOMMENDATION: Note and file informational report.

PRIOR BOARD ACTION: None.

FISCAL IMPACT: None.

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

FIELD SERVICES AND WATER RESOURCES DIVISION

VID Water Production

November 2016

Description	Current Month Production		Average Production of Last 12 Months		Total, Fiscal Year-to-Date
	(mgd)	(af)	(mgd)	(af)	(af)
<i>VID's EVWTP Water Production</i>					
Local Water	0.00	0.00	1.21	113.68	844.30
SDCWA Raw Water	8.88	817.60	9.38	878.44	4,442.90
Subtotal (EVWTP Water Production)	8.88	817.60	10.59	992.12	5,287.20
Oceanside Contract Water	2.61	240.30	0.90	83.93	494.30
SDCWA Treated Water	3.79	349.10	3.93	367.60	2,666.30
TOTAL WATER PRODUCTION	15.28	1,407.00	15.42	1,443.64	8,447.80

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

Lake Henshaw

Storage as of December 27, 2016: 3,508 af (7% of 51,774 af capacity)
 Current releases: 0 cfs
 Change in storage for month of November: 332 af (gain)
 Total releases for month of November: 0 af
 Hydrologic year-to-date rain total: 10.36 inches (December 27, 2016)
 Percent of yearly average rain: 43% (30-year average: 24.09 inches)
 Percent of year-to-date average rain: 142% (30-year average through December: 7.28 in.)

Warner Ranch Wellfield

Number of wells running in November: 14
 Total production for month of November: 510 af
 Average depth to water table (December): 123 ft (see attached historical water table chart)

Electrical Energy Use at VID Headquarters

November 2016

Description	Current Month Production	Average of Last 12 Months	Total, Fiscal Year-to-Date
	(kWh)	(kWh)	(kWh)
Solar Production (\$0.16 per kWh)	25,239	34,517	177,336
Power purchased from Direct Energy (\$0.05 per kWh)	20,144	13,660	87,150
TOTAL ELECTRICAL ENERGY USE	45,383	48,178	264,486

December

- Continued main line replacement of 8” Nipponite pipe on Alessandro Trail and Vereda Barranca – installed 2,500’ of 8” PVC, 21 services and three hydrants.
- Participated in webinar hosted by State Water Resources Control Board on lead testing in schools.
- Water Quality Calls/Incidents for December - received one taste and odor complaint. The source of the complaint was undetermined. The main was flushed as a precautionary measure.
- Performed annual Henshaw Dam outlet tunnel inspection.
- Issued Warner Ranch entry permit for 2016 Christmas bird count.
- Warner Ranch cattle counts for December: Hettinga – 1,306 Mendenhall – 96.

January

- Start main line replacement on Suemark Terrace to replace 350’ of Nipponite pipe.
- Start main line replacement (layout and begin potholing) on Lobelia Drive and Primrose Avenue to replace approximately 4,100’ of 6” steel main.

ATTACHMENTS: Lake Henshaw Resort, Inc., Activity Reports – October 31, 2016
VID's Warner Wellfield - Water Table Depth vs. Monthly Wellfield Production

ADMINISTRATION DIVISION

December

- **The District’s total water production for November 2016 was 1,407 acre-feet (AF) compared to 1,361 AF in 2013, representing a 3 percent increase. For the eighteen month period ending November 30, 2016 that the State has mandated conservation standards, the District’s total water production has decreased by 16 percent when compared to an eighteen month period using 2013 data. The District’s State mandated conservation standard is 0%.**
- Issued news releases regarding the scholarship program and the Board’s election of officers for 2017.
- Distributed materials regarding the District scholarship program to local high schools. Posted an electronic copy of the application materials on the website.
- Conducted annual review of the District’s Investment Policy as required by State law.
- Continued recruitment for two Laborer positions.
- Coordinated annual Employee Appreciation Event.
- Completed recruitment for Management Analyst position. Alisa Nichols accepted the job offer for the position.

January

- Deliver 2017 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.”

- Participate in Vista Unified School District hydration station ribbon cutting/kick-off event at Monte Vista Elementary School.
- Continue recruitment for two Laborer positions.

ENGINEERING DIVISION

December

- Mainline Replacements – Continued working on design of main replacement projects.
- The District has replaced approximately 4.6 miles of Nipponite pipe since 2002. Of the 12.5 miles of Nipponite pipe remaining in the system, replacement of 4.1 miles is currently in design and 1.0 mile is in construction.
- AB Line and Meyer’s Siphon Replacement – Infrastructure Engineering Corporation (IEC) continued on design efforts.
- Flume Relocation (Hidden Valley Estates) – Cass Construction continued flume relocation work.
- North San Diego Water Reuse Coalition – Attended progress meeting.
- Master Plan Update – HDR continued on master planning efforts.
- Flume Historical Documentation – Helix Environmental continued preparation of Historic American Engineering Record (HAER)-level documentation of the Vista Flume, including archival quality photographs and associated documentation to be filed with appropriate historical societies and archives.
- HP Reservoir Rehabilitation – Richard Brady and Associates (Brady) continued work on final design efforts and selected aluminum dome roof subcontractor. Cost estimate/bid summary table attached.

January

- Mainline Replacement Projects in design (current projects): Alessandro Trail/Ln.*, Vereda Barranca, Stonewall Ln., Suemark Ter.*, Lobelia Dr., Primrose Ave.*, Copper Dr.*, Delta Ln.*, Plumosa Ave.*, Mimosa Ave.*, Lonsdale Ln.*, Rosario Ln.*, Catalina Ave.*, Quails Trail*, Peach Grove Lane, Vista Grande Dr.*, Green Hills Way, Elevado Road.
- Mainline Replacement Projects in planning (future projects): Camino Ciego*, Mar Vista Dr., Miramar Dr., Marine View Dr., E. Vista Way, Mason Rd., Lado De Loma, Eddy Dr., Camino Patricia, Camino Corto, Nordahl Rd.*, HN Line- Gopher Canyon to Fairview Dr., N. Citrus Ave., Nevada Ave., Lemon Ave., Buena Creek Rd.*, Via Christina, S. Santa Fe Pipeline, Rancho Vista Rd., Bandini Place, McGavran Dr., Ora Avo Dr., Shale Rock, San Clemente Ave.*, San Clemente Way*, La Mirada, Crescent Dr., Descanso Ave., Pump Station No. 10 By-Pass – Blue Bird Canyon.
- Mainline Replacements (consultant projects) – KEH and Associates to continue with preliminary design for: Osborne St.*, North Santa Fe Ave.*, Taylor St.*, Goodwin Dr.*, Rush Ave.*, Portia Ave.*.
- City of Vista Projects – Paseo Santa Fe Streetscape Improvements: Phase II along South Santa Fe from Ocean View Drive to Terrace Drive (CIP #8289); Phase III along Terrace Drive to Civic Center Drive (CIP #8291). Coordinate design of water improvements associated with City street improvements.
- AB Line and Meyer’s Siphon Replacement – IEC to continue with final design.
- Flume Relocation (Hidden Valley Estates) – Cass Construction to continue flume relocation work.
- North San Diego Water Reuse Coalition – Attend progress meeting.
- Master Plan Update – HDR to continue with master planning efforts.
- HP Reservoir Rehabilitation – Brady to continue work on final design and begin selection process for demolition and tank rehabilitation subcontractors.

*Nipponite pipe



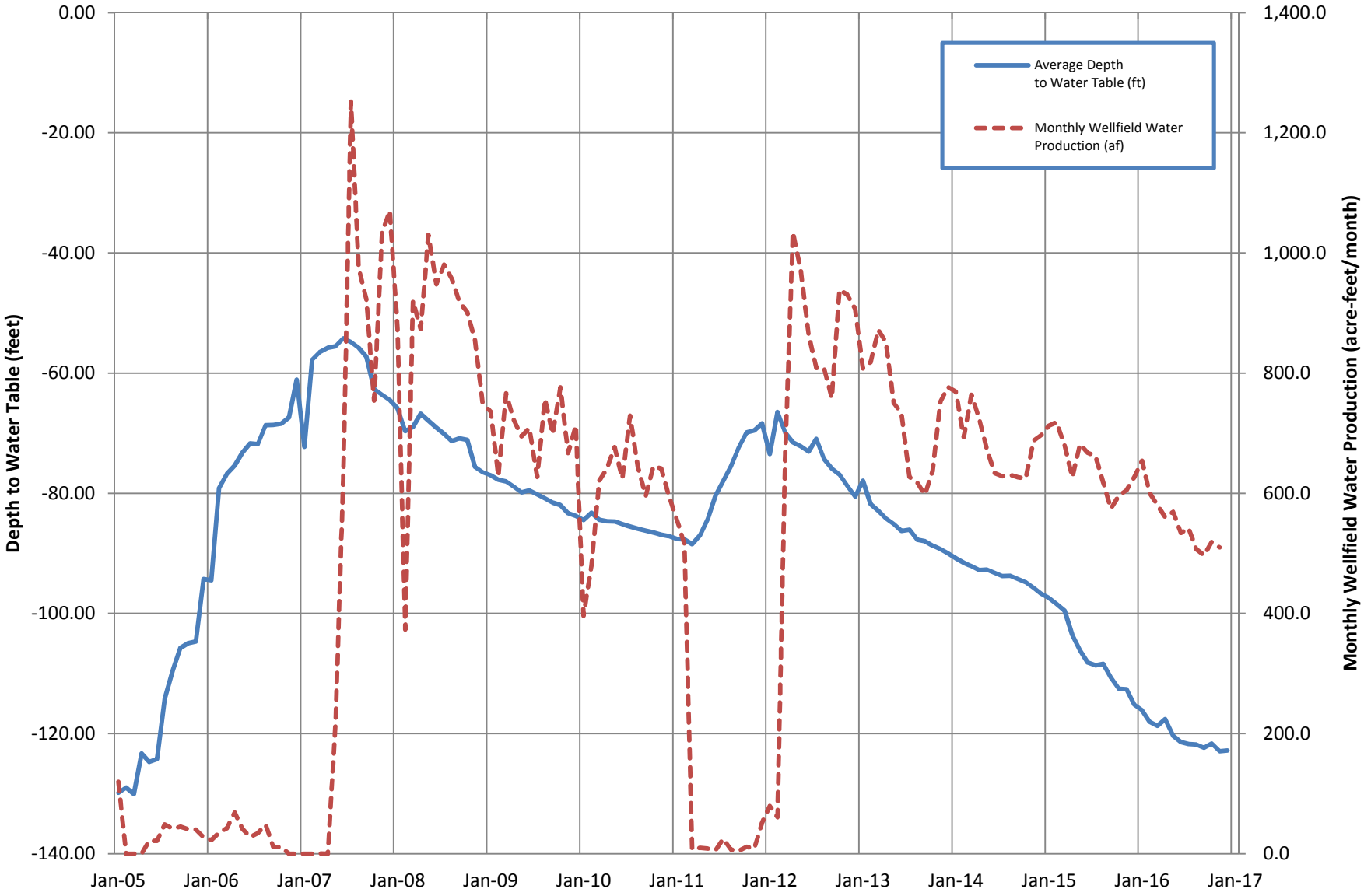
**LAKE HENSHAW RESORT, INC.
ACTIVITY REPORT
AS OF OCTOBER 31, 2016**

	2015 Oct	2015 Nov	2015 Dec	2016 Jan	2016 Feb	2016 Mar	2016 Apr	2016 May	2016 Jun	2016 Jul	2016 Aug	2016 Sep	2016 Oct	12 MO AVG
Fishing Permits	255	192	141	234	327	591	699	650	772	835	617	573	356	499
Boat Launches	4	0	2	4	9	14	26	32	62	24	3	2	5	15
Motor Boats (full day rental)	7	14	156	14	13	27	52	55	59	56	49	24	13	44
Motor Boats (half day rental)	1	1	40	1	6	3	8	3	12	9	8	5	9	9
Campground/Head Count	510	328	158	130	170	153	194	2,124	659	1,642	1,159	1,294	749	730
Campground/Cars, Trucks, etc.	152	93	37	17	58	128	284	797	283	848	386	406	347	307
Campground/Recreational Vehicles	12	9	6	3	5	21	15	16	6	13	6	9	10	10
Mobile Home/Spaces	61	61	61	61	61	61	62	62	62	62	62	62	63	62
M.H.P. Daily (Visitors/Head Count)	108	93	87	44	9	12	23	22	53	6	12	18	0	32
M.H.P. (Residents/Head Count)	91	91	94	85	85	84	86	84	84	84	84	84	89	86
Storage	7	6	5	4	4	3	1	4	4	4	4	4	2	4
Cabins	192	167	12	79	91	231	166	174	127	109	191	238	211	150
Hunters	0	19	83	88	0	0	0	0	0	0	0	0	0	16

*The figure of 19 for "Hunters," in the month of November, is due to the public purchasing permits.
Z:\Water Resources\DATA\Henshaw\RESORT\Resort Sum 2009-present.xls

VID's Warner Wellfield

Water Table Depth vs. Monthly Wellfield Production



HP RESERVOIR CONSTRUCTION COST ESTIMATE AND BID SUMMARY

ITEM	ESTIMATE	ACTUAL BID / QUOTE	UNDER / (OVER)
Tank Rehab			
Demo existing gunite and wire, abrasive blast wall	\$150,000		
Asphalt removal tank footing demo	\$35,000		
Extend wall footing	\$310,000		
Cut and cap existing roof columns	\$15,000		
Install prestressing/seismic strand and shotcrete	\$845,300		
Remove and replace floor/ wall joint mastic	\$85,000		
Install backer-rod and Sikaflex	\$65,000		
Epoxy inject floor cracks	\$10,000		
Abatement and Demo			
Remove floor/wall mastic patch, encapsulate lead-paint	\$7,500		
Disposal of asphalt	\$5,000		
Disposal of gunite and wire	\$75,000		
Demo existing roof/columns and disposal	\$230,000		
Aluminum Roof	\$650,000	\$475,595	\$174,405
Miscellaneous Items			
Special inspection services	\$12,000		
Bonds	\$53,000	\$29,338	\$23,662
Interior SS staircase	\$75,000		
Exterior galv. staircase	\$40,000		
Exterior painting of tank	\$30,000		
Furnish and install new pipe brackets for overflow pipe	\$10,000		
Furnish/Install new overflow pipe & interior waterline	\$10,000		
Site office	\$8,000		
Site Restoration and Yard Piping Improvements			
Replace perimeter fence 750 lf and entry gate	\$28,400		
Remove and replace perimeter asphalt 12,000 est. sf	\$100,800		
Yard piping improvements	\$150,000		
Total (Construction Budget)	\$3,000,000	\$504,933	\$198,067



STAFF REPORT

Agenda Item: 10

Board Meeting Date: January 4, 2017
Prepared By: Al Ducusin
Reviewed By: Brian Smith
Approved By: Eldon Boone

SUBJECT: PROPERTY ANNEXATION TO THE DISTRICT

RECOMMENDATION: Approve, in concept, the annexation of a portion of a vacant residential parcel consisting of approximately .57 acres owned by Carole Ann Ross Haller Living Trust, located at Camino De Las Lomas, Vista (CF 500-367; LN 2016-014; APN 178-210-18; DIV NO 5). This approval would entail a waiver of existing District policy regarding annexations and sphere of influence.

PRIOR BOARD ACTION: None.

FISCAL IMPACT: None.

SUMMARY: The parcel (APN 178-210-18) totals approximately 1.18 acres and is bisected by the boundary line between Vista Irrigation District (VID) and Vallecitos Water District (VWD), consisting of 0.61 acres in VID and 0.57 acres in VWD. The San Diego Local Agency Formation Commission (LAFCO) has recommended that since the property is divided between the two agencies, the agencies must mutually agree on which agency can better provide service to the property. The owner has initiated this reorganization request with VID, VWD, and LAFCO.

DETAILED REPORT: On September 9, 2016, staff received correspondence from Robert McKinley, acting on behalf of owner Carole Ann Ross Haller, requesting annexation into VID in order to receive water service for a residential lot at Camino De Las Lomas.

On September 15, 2016, staff met with VWD to discuss the owner's detachment/annexation request. VID and VWD staff determined that it seems more appropriate for VID to serve the entire property because the property is currently requesting service in an area where VWD has no facilities, is adjacent to VID water mains and is partially within the VID service area.

On September 29, 2016, staff met with the owner's representative, Robert McKinley, at Camino De Las Lomas. Currently, the property is undeveloped and the property owner proposes to develop a single-family home on this parcel.

On October 19, 2016, VWD's Board of Directors approved the detachment of APN 178-210-18 in its entirety from their District with associated terms and conditions.

Per the District's Rules and Regulations Section 3.1.4, applications for annexation of properties lying outside of the District are not accepted, unless it is within the District's sphere of influence. However, this request is unique because a portion of this parcel is within VID and there is an existing 6" waterline currently available adjacent to the north side of the property within a VID easement. Furthermore, VWD has no facilities close to the property with the nearest facilities approximately 1,000 feet away.

Given the circumstances of this particular property, staff agrees with VWD's assessment and recommends the remaining portion of the property be allowed to annex into VID for water service. Staff recommends that the Board approve the annexation in concept with the following minimum terms and conditions (Owner has already paid administrative and annexation fees):

1. The annexing land will enter VID with full water rights.
2. Payment of all County, State and District administrative and other related fees shall be paid by the owners. VID administrative fees shall be paid by the owners in the amount of \$2,089, payable at time of initiation of VID annexation proceedings.
3. Payment of an annexation fee which includes Imported Water Entitlement in the amount of \$3,905 shall be paid by the owners at time of VID annexation proceedings.
4. The owners shall execute a) an Assignment of Water rights in favor of VID covering, in general, the right to the delivery of water from the local water supply owned by VID; and b) an imported water entitlement document.
5. No application for permanent water service shall be accepted until the LAFCO annexation is finalized.
6. After annexation, the VID does not guarantee that potable water service will be available to the annexing territory at the time it is requested. No commitment for water service is made to the property as a result of this annexation.

If the Board approves the above terms and conditions, in concept, staff will prepare formal terms and conditions for approval at a subsequent Board meeting following the owner's application to LAFCO to begin the annexation and detachment proceedings.

ATTACHMENTS: Annexation Request
Map

Al Ducusin

Subject: FW: VID annexation APN 178-210-18-00

From: Robert McKinley [<mailto:robertmckinley@hotmail.com>]

Sent: Friday, September 09, 2016 2:32 PM

To: Al Ducusin

Cc: Dr. Ken Gheysar; Carole Haller

Subject: Re: VID annexation APN 178-210-18-00

Al, RE: VID annexation APN 178-210-18-00

Thank you for your time on the phone, your excellent suggestions, and this prompt reply.

In speaking with both the Buyer and Seller, they have ask that I take the lead with all three agencies (VID, Vallecitos, and LAFCO) so there will be no duplication of effort.

Fortunately, I have 40+ years experience in North County as a real estate broker specializing in land sales and acquisitions and have a good sense of what needs to be done.

Here is the information you requested:

1) Agent for both Buyer, Dr. Kenneth Gheysar and Seller, Carole Haller is:

Robert D. McKinley
Broker/Owner
Prestige Properties, Inc.
2044 Hawley Drive
Vista, CA 92084

760-429-0645 - personal cell
robertmckinley@hotmail.com - email

NOTE: You will receive an email from both the Buyer and Seller authorizing VID to work with me on their behalf.

2) Owner of Subject Property (vacant land APN 178-210-18-00) and the Seller:

Carole Ann Roos Haller,
Trustee of the Carole Ann Roos Haller Living Trust dated November 5, 2012
52 Mission Palms E
Rancho Mirage, CA 92270

760-321-7877
hallercarole@aol.com

3) Buyer of Subject Property (vacant land APN 178-210-18-00):

Dr. Kenneth Gheysar
4428 W. Tiller Ave
Orange, CA 92868

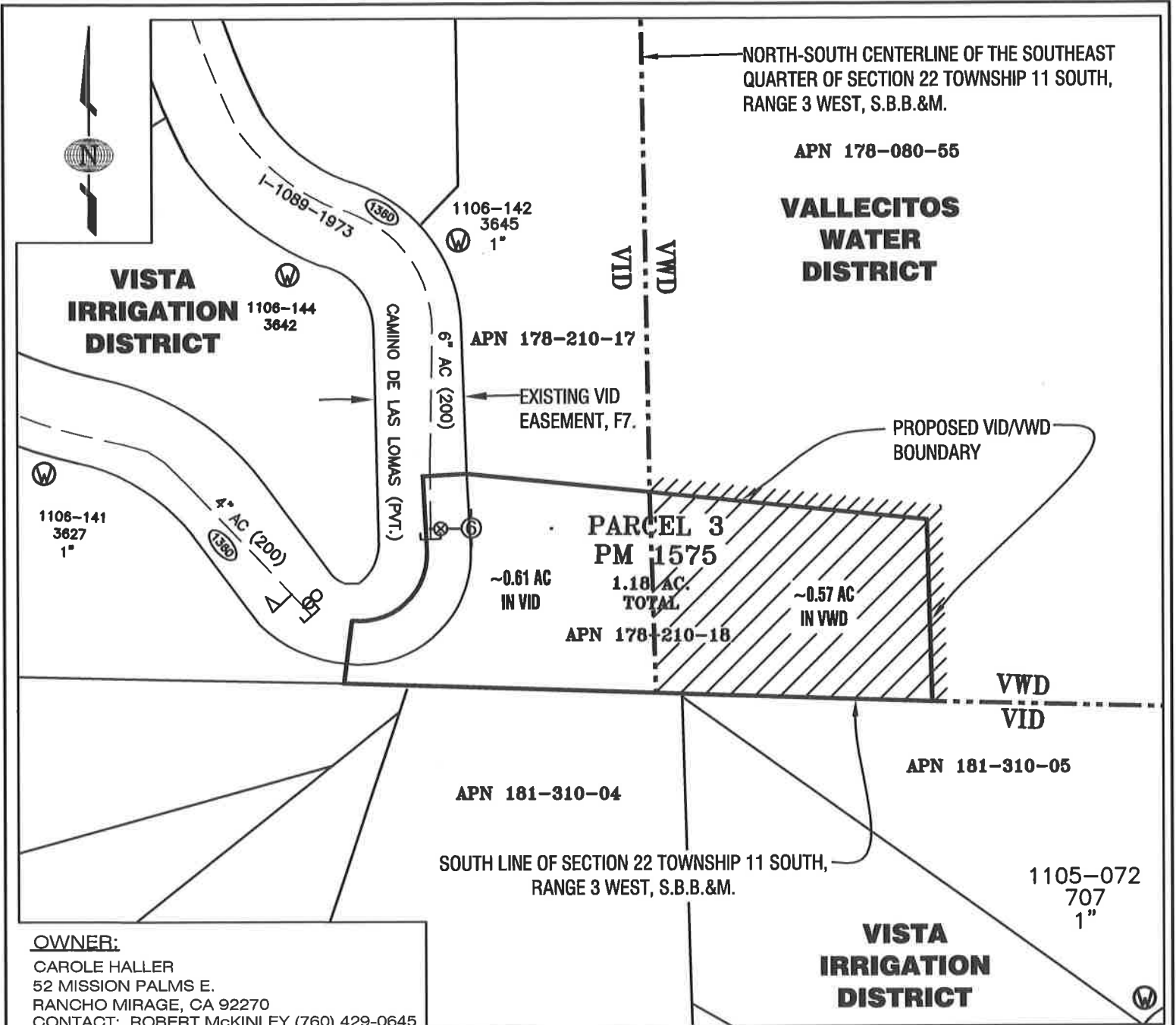
949-306-2566
drghesar@yahoo.com

Please let me know anything I need to do to move this request forward and please notify me when the required papers requiring the Seller's signature are mailed to her.

I look forward to working with you,

Robert D. McKinley
Broker/Owner
Prestige Properties, Inc.

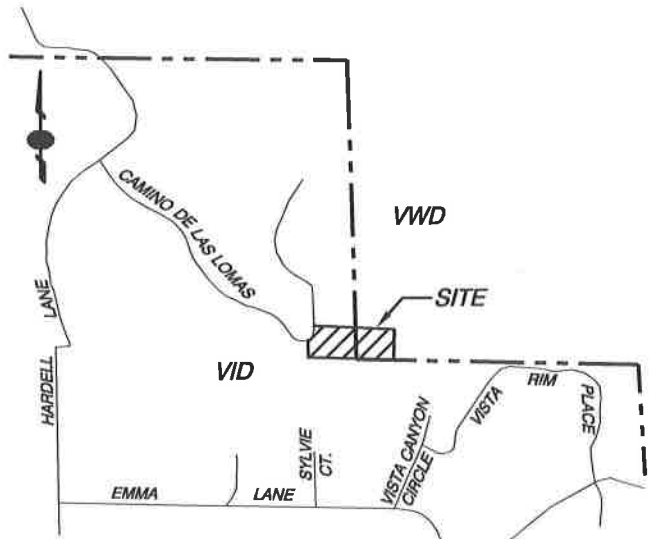
760-429-0645
robertmckinley@hotmail.com



OWNER:
 CAROLE HALLER
 52 MISSION PALMS E.
 RANCHO MIRAGE, CA 92270
 CONTACT: ROBERT MCKINLEY (760) 429-0645

LEGEND

- EXISTING VID/VWD BOUNDARY.
- ////// PROPOSED VID/VWD BOUNDARY.
- PORTION OF APN: 178-210-18 (~0.57 ACRES) TO BE ANNEXED TO VID AND DETACHED FROM VWD.



VISTA IRRIGATION DISTRICT			
ANNEXATION OF A PORTION OF			
APN: 178-210-18			
CAMINO DE LAS LOMAS			
APN	178-210-18	T.B.	1088-F7
SCALE	NOT TO SCALE	L.N.	2016-014
APPD. BY	<i>MS</i>	DATE	11/10/16 C.F.
DRAWN BY	M.S.	DATE	11/2/16
SHEET	1 OF 1	MAP	L14
REVISED			
PATH Z:\Engineering\JOBS\LN_JOBS\LN2016-014\CAD DRAWINGS			

367



STAFF REPORT

Agenda Item: 11

Board Meeting Date: January 4, 2017
Prepared By: Brian Smith
Reviewed By: Brett Hodgkiss
Approved By: Eldon Boone

SUBJECT: REQUEST FOR PROPOSAL FOR APPRAISAL SERVICES

RECOMMENDATION: Approve the request for proposal for appraisal services for the District's vacant property located north of Pipeline Drive.

PRIOR BOARD ACTION: At the November 9, 2016 meeting, the Board declared the District's vacant property located north of Pipeline Drive as surplus and directed staff to develop a request for proposal for appraisal services to be considered by the Board at a future meeting.

FISCAL IMPACT: Cost of an appraisal is estimated to be less than \$25,000.

SUMMARY: The Board declared the vacant Pipeline Drive property as surplus to the needs of the District at its November 9 meeting and directed staff to notify local public and non-profit entities to satisfy the requirements of Government Code Section 54222. The notification letter and distribution list of required entities was reviewed by District legal counsel. The notification letter has been mailed to the following entities:

- City of Vista - Community Development Commission and Department of Recreation and Community Services
- County of San Diego - Housing Authority and Department of Parks and Recreation
- Vista Unified School District
- California Natural Resources Agency

DETAILED REPORT: The Board directed staff to prepare a request for proposal (RFP) for the appraisal of the vacant District property located north of Pipeline Drive along with a distribution list for the Board's consideration at a future meeting. The RFP for appraisal services includes an evaluation of the highest and best use of the property as well as the property sale and lease values. With the Board's approval, staff will distribute the RFP to the firms listed below and select the most qualified firm to provide appraisal services; the appraisal will be presented to the Board at a future meeting.

- Anderson and Brabant Inc. (Escondido)
- Robert Backer & Associates (Solana Beach)
- Heath Group (San Diego)
- Arens Group, Inc. (Carlsbad)
- Hendrickson Appraisal Company, Inc. (San Diego)
- Jones, Roach & Caringella, Inc. (San Diego)

ATTACHMENTS: Notification Letter
Request for Proposal



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

Board of Directors

Marty Miller, *President*
Paul E. Dorey
Jo MacKenzie
Randy L. Reznicek
Richard L. Vásquez

Administrative Staff

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

January 3, 2017

Re: Surplus Land Notification: Assessor Parcel No. 219-532-22

To All Concerned Parties:

This letter shall serve as written notice as required by Sections 54220 through 54332 of the California Government Code regarding the disposition of surplus land.

The Vista Irrigation District intends to dispose of that certain parcel of land identified by Assessor Parcel Number 219-532-22, which consists of 3.96 acres of vacant land situated on the northwest corner of Engineer Street and Pipeline Drive in the City of Vista (Property). An aerial image and an assessor map are attached.

Pursuant to California Government Code section 54222, you have sixty (60) days following receipt of this letter to notify the District in writing of your intent to purchase or lease the Property for one of the purposes set forth in California Government Code section 54222. Upon receipt of such notice the District will determine the priority amongst any written notifications and, if appropriate, enter into good faith negotiations for the sale or lease of the Property in accordance with California Government Code section 54223. Note that, pursuant to Government Code section 54226, the District is not required to sell or lease the Property at less than fair market value.

If you have any questions please feel free to contact me at bsmith@vidwater.org or 760-597-3113.

Sincerely,

Brian Smith
Director of Engineering

Enclosure

REQUEST FOR PROPOSALS (RFP)
APPRAISAL OF VISTA IRRIGATION DISTRICT OWNED PROPERTY

January 2017

The Vista Irrigation District (District) is requesting proposals for appraisal services of a parcel of land owned by the District. The property location and description are set forth in the attached Scope of Services.

Individual meetings and site tours may be scheduled upon request. Telephone inquiries and site visits are encouraged to further define details of the subject project. All inquiries regarding this RFP should be directed to Brian Smith, Director of Engineering, at (760) 597-3113 or bsmith@vidwater.org.

Proposal packages must be received at District Offices prior to 4:00 p.m., _____, _____, 2017. Each proposal package shall include five (5) hard copies and one digital (PDF) copy of the proposal.

The proposals will be reviewed by District staff for responsiveness, understanding of the work, proposed project approach, scope of work, relevant experience, project team and schedule. The firms deemed most qualified may be invited to participate in a presentation and interview. The consultant team at the interview shall include, as a minimum, the project manager and the individual proposed to have the most hourly involvement. The successful firm chosen from the interviews will be invited to negotiate a final contract price and scope of work. In the event a successful contract cannot be negotiated, the second firm selected in the interview process will be contacted to negotiate a contract. The selected firm will be required to enter into the District's Agreement for Services (see attached) and provide insurance as stipulated in the Agreement.

The proposal shall address the following topics tabbed for easy reference:

- Understanding of the Project
- Relevant Experience and Contacts
- Project Approach
- Scope of Work
- Project Team
- Fee and Schedule of Work
- Appendix (if needed)

The following format shall be used for an in-depth proposal development. These items are intended as a minimum only; additional subject matter deemed to be necessary for a complete proposal may be added following the aforementioned topics.

Understanding of the Project: The proposal shall contain a detailed explanation of the project as viewed by the proposal author; do not reiterate the contents of the RFP. The information offered should be a concise presentation of the consultant's knowledge of the area and understanding of the technical needs of the project. The proposal shall be responsive to the needs of the attached detailed scope of services.

If recommendations regarding the project are in order to provide guidance to District staff, the recommendations should be presented within this section.

Relevant Experience and Contacts: This section shall include a complete listing of similar projects located in San Diego County performed by the proposed team members. Each project description shall include the scope of work, date completed, fee and current contact information, including current phone number, for each reference of whom questions can be asked about the project. Similar projects and expertise working with San Diego County governmental agencies will be weighted heavily, although projects requiring similar skills and expertise will also be considered.

Project Approach: The proposal shall contain a description of the logistics necessary to accomplish the work including subcontractors and meetings. If consultant has ideas for an alternate approach to achieve the project objectives in a more cost effective or comprehensive manner, the consultant should include those ideas in this section.

Scope of Work: The proposal shall contain enough detail to demonstrate that a strategy has been developed to accomplish the work in an efficient and timely manner.

Project Team: The project team shall be listed by name of person including the project manager and any other individual, organization, or subconsultant having more than five percent hourly involvement. Each team member's relevant experience with similar projects and level of responsibility shall be provided.

Fee and Schedule of Work: The proposal shall contain an estimated fee and time schedule for the work. Meetings, milestones and decision points shall be identified where necessary.

Appendix: Exhibits and other pertinent information, as needed, shall be included in an Appendix at the back of the proposal.

The proposal shall be responsive to the needs of the attached Scope of Services.

Attachments: Scope of Services
Agreement for Services
Aerial Image
Assessor Map

VISTA IRRIGATION DISTRICT
APPRAISAL OF VISTA IRRIGATION DISTRICT OWNED PROPERTY
SCOPE OF SERVICES

1. PROJECT DESCRIPTION

The Vista Irrigation District (District) is exploring options for disposition of a parcel of land owned in fee by the District and identified as Assessor Parcel Number 219-532-22, consisting of 3.96 acres of vacant land situated on the northwest corner of Engineer Street and Pipeline Drive in the city of Vista (Property). An aerial image and an assessor parcel map are attached.

2. BACKGROUND

The District was formed in 1923 pursuant to Section 20500, et. seq., of the California Water Code and provides water to the city of Vista as well as portions of San Marcos, Oceanside, Escondido and unincorporated areas of the County of San Diego. The District obtains its water from Lake Henshaw, which it owns, and from Northern California and the Colorado River through facilities owned by the Metropolitan Water District of Southern California and the San Diego County Water Authority. The District's service area is approximately 21,200 acres with nearly 70% of the area currently developed. The District serves a population of approximately 129,000 and has more than 28,000 potable water service connections to residential, commercial, industrial, agricultural and irrigation customers.

In 1995, the District purchased two adjacent lots in the North County Industrial Park, totaling over 15 acres, for the purpose of constructing a new District headquarters site. The lots were purchased for \$1,716,590. At the time of purchase it was clear that the acreage of just one of the lots would not meet the site needs of the District; however, the combined acreage was anticipated to be more than adequate. Therefore, following design of the site, a property line adjustment was made to accommodate the needs of the District leaving 3.96 acres north of Pipeline Drive unused.

The Property has been declared surplus to the needs of the District, and the District's Board of Directors will be exploring options for disposition of the Property.

3. SCOPE OF SERVICES

The District is seeking a qualified firm to provide a complete appraisal and summary report for the sale and/or lease of the Property, including but not be limited to:

- 1) Current market value of the Property in whole and as subdivided into smaller parcels.
- 2) Determination of highest and best use of the Property.
- 3) Revisions/fees/permits/costs required for development of the Property to highest and best use.
- 4) Determination of most likely Buyers/Users of the Property.
- 5) Development of lease options and lease values, including estimated income streams for various lease options.

- 6) Estimate of “Net Proceeds” the District can reasonably expect on a sale of the property considering all costs and fees.
- 7) Estimate of time required for sale/lease of the Property.
- 8) Required property management services if the District elects to lease the Property.
- 9) Recommendation of the best course of action for disposition of the Property based on the compilation of all information gathered and analysis performed.

Initially, the Consultant shall treat all comparable sales and other Property valuation information collected for the preparation of the appraisal, and/or contained in the appraisal, to be confidential; and this information, and the appraisal report, shall not be shared with or disclosed to any person or entity other than the District. Information contained in the appraisal will be used by the District to determine sale and/or lease strategies and will be discussed only in closed session meetings with the District’s Board of Directors. The appraisal may be publicly disclosed, if needed, during future sale and/or lease negotiations, and after the Property has been sold or leased.

4. DELIVERABLES

- 1) Submit five (5) working draft copies of the appraisal and summary report for District's review and comment. Prepare for and attend one meeting with the District staff to review the District comments.
- 2) Final Report. Incorporate the District's comments into the appraisal and summary report. Submit twenty (20) hard bound copies and one digital (PDF). Prepare for and attend one District Board of Directors meeting (in closed session) to review and discuss the findings.



STAFF REPORT

Agenda Item: 12

Board Meeting Date: January 4, 2017
Prepared By: Brian Smith
Reviewed By: Brett Hodgkiss
Approved By: Eldon Boone

SUBJECT: RECYCLED WATER PROJECT

RECOMMENDATION: Authorize the General Manager to execute an agreement to transfer Proposition 84 grant funds totaling \$392,965 to the City of Oceanside.

PRIOR BOARD ACTION:

- 04/17/13 Authorized the execution of the Local Project Participant Agreement with Olivenhain Municipal Water District for the North San Diego County Regional Recycled Water Project to receive Round 1 Proposition 84 grant funding.
- 01/21/15 Authorized the execution of the Local Project Participant Agreement with Olivenhain Municipal Water District for the North San Diego County Regional Recycled Water Project to receive Round 2 Proposition 84 grant funding.

FISCAL IMPACT: Currently, the District does not have a viable recycled water project; therefore, the proposed transfer of available grant funds to the City of Oceanside has no fiscal impact on the District.

SUMMARY: The District and City of Oceanside (Oceanside) are members of the North San Diego Water Reuse Coalition (Coalition), a group of ten water and wastewater agencies that have formed to promote water reuse and take a regional approach to the development of recycled water infrastructure. In 2011, the Coalition developed the North San Diego County Regional Recycled Water Project (Regional Project), which reviewed the recycled water infrastructure and demands for each agency and identified the facilities necessary to increase the capacity, connectivity, and use of the recycled water systems. The Coalition has been successful in receiving two rounds of Proposition 84 grant funding for the Regional Project.

DETAILED REPORT: As previously discussed with the Board, the Shadowridge Golf Course has significantly reduced its potable water usage by drilling a groundwater well and removing approximately 20 acres of natural grass. As a result, extending the recycled system to serve the golf course is impractical. Staff has informed the Coalition that the District's proposed project to the Shadowridge Golf Course, which was submitted in the grant proposals, has become questionable due to the developments discussed above.

In 2014, the question was posed to the Coalition and discussed with the Board, as to whether or not the District should sign the Agreement for Proposition 84 Round 2 funding since the Shadowridge project was no longer feasible. The Coalition understood the predicament but felt that it would still be appropriate for the District to sign the funding agreement since the timeframe to implement the project was 5 years, and the District's continuing partnership with Oceanside could deliver recycled water to District customers within that timeframe. The Coalition also suggested that as an alternative the District could contribute its share of the grant funding to Oceanside in the name of the joint project so that the recycled water distribution system could be extended to points where District customers could utilize it in the future.

Oceanside is currently expanding its El Corazon reclamation plant and extending its recycled water system to serve the Ocean Hills Golf Course and other potential Oceanside customers. Oceanside has begun construction of this recycled system. The system is being sized to accommodate the potential future extension to the Shadowridge Golf Course and other potential District customers along the proposed alignment.

Since the District's current recycled project is not viable and Oceanside is moving forward on a recycled project that could ultimately benefit District customers, an agreement has been developed to allow Oceanside the ability to modify the Proposition 84 Round 1 and Round 2 agreements to transfer the District's remaining grant funds to Oceanside.

ATTACHMENT: Agreement between City of Oceanside and Vista Irrigation District for Transfer of Proposition 84 Funds from Vista Irrigation District to City of Oceanside

**AGREEMENT BETWEEN CITY OF OCEANSIDE AND VISTA IRRIGATION
DISTRICT FOR TRANSFER OF IRWM PROPOSITION 84 FUNDS FROM VISTA IRRIGATION
DISTRICT TO CITY OF OCEANSIDE**

THIS AGREEMENT (“Agreement”), dated _____ for identification purposes, is entered into by and between the City of Oceanside, a municipal corporation (“City”) and Vista Irrigation District, a special governmental district organized and operating under the Irrigation District Law, Water Code Section 20500, et seq. (“VID”). The City and VID may hereinafter be referred to individually as a “Party” and collectively as the “Parties.”

Recitals

A. The City and VID are both members of the North San Diego County Recycled Water Coalition, and part of the North San Diego County Regional Recycled Project (“Project”)-Phases I & II.

B. As signatories to the Project, City and VID are eligible for funding under Proposition 84 for the purpose of design and construction of new recycled water facilities.

C. City is in the process of designing, and ultimately constructing, the Ocean Hills Recycled Water Project (“Ocean Hills”).

D. VID has an express interest in the completion of the Ocean Hills project because VID customers may benefit from the construction of a recycled water pipeline in the vicinity of Melrose Drive.

E. City has included capacity in the Ocean Hills project to allow service to VID customers along the Melrose Drive corridor south of Cannon Road.

F. VID has no recycled water supplies and is therefore dependent on other agencies, such as the City, for access to recycled water.

G. VID has agreed to cede their funding under the Project to Oceanside for the purpose of completing the Ocean Hills project.

Executory Agreements

NOW, THEREFORE, in consideration of the facts set forth above, and the covenants, terms and conditions herein, the City and VID do hereby agree as follows:

1. Proposition 84 Funding.

a. VID shall cede funding under Prop 84 for Phase I and II of the Project to the City of Oceanside Water Utilities Department for use in completing the Ocean Hills project.

b. The amount of funding to be ceded includes:

i. Phase I: \$54,665

ii. Phase II: \$338,300

c. City shall provide matching funds as required by the grant.

d. City shall be responsible for, and pay all costs associated with, securing any and all necessary amendments to the grant and agreements with the North San Diego County Recycled Water Coalition, the San Diego County Water Authority, and the State Water Resources Control Board to make this transfer of funding operational.

e. City shall be responsible for administering and meeting all the terms and conditions of the amended grant and agreements including, but not limited to, progress reporting, invoicing, financial audits, conversion quantities, and water audits.

2. Legal Relations and Requirements.

a. Limitation on Assignment. This Agreement shall not be assigned or transferred, nor shall any of the duties hereunder be delegated, without the express written consent of the other Party. Any attempt to assign or delegate this Agreement without the express written consent of the other Party shall be void and of no force or effect. Consent by a Party to one assignment shall not be deemed to be a consent to any subsequent assignment. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

b. Compliance with Law. Each Party shall be responsible for complying with all local, state and federal laws relating to its performance under this Agreement, whether or not said laws are expressly stated or referred to herein.

c. Indemnity. To the greatest extent allowed by law, each Party shall defend, indemnify and hold harmless the other Party and its officers, agents and employees (the "Indemnified Party") against all claims for damages to persons or property arising out of the negligent acts, errors or omissions or wrongful acts or conduct of the indemnifying Party, or its employees, agents, subcontractors, or others in connection with the performance of the obligations under this Agreement, except for those claims arising from the willful misconduct, sole negligence or active negligence of an Indemnified Party. The indemnification hereunder shall include any and all costs, expenses, attorneys' fees, expert fees and liability assessed against or incurred by an Indemnified Party in defending against such claims or lawsuits, whether the same proceed to judgment or not. Further, upon written request by an Indemnified Party, the other Party shall, at its own expense, defend any such suit, action or proceeding brought against the Indemnified Party.

d. Disputes.

i. Any controversy or claim arising out of or relating to this Agreement, or concerning the breach or interpretation thereof, shall be first submitted to mediation, the cost of which shall be borne equally by the Parties.

ii. No suit shall be brought on this Agreement unless all statutory claims filing requirements have been met.

e. No Waiver. The failure by either Party to demand performance of this Agreement by the other Party does not constitute a waiver of the Demanding Party's rights or remedies with respect to past, present or future breaches or defaults by the other Party.

3. Term and Termination.

a. Term: The term of this Agreement shall be concurrent with the term of the Proposition 84 funding involved, commencing upon execution of the agreement.

b. Termination for Cause: Notwithstanding Subsection 3.a, above, if either Party ("Demanding Party") has a good faith belief that the other Party ("Defaulting Party") is not complying with the terms of this Agreement, the Demanding Party shall give written notice of the default (with reasonable specificity) to the Defaulting Party and demand the default to be cured within thirty (30) days of the notice. If the defaulting party is actually in default of this Agreement and fails to cure the default within thirty (30) days of the notice, or if more than thirty (30) days are reasonably required to cure the default and the Defaulting Party fails to give adequate assurance of due performance within ten (10) days of the notice, the Demanding Party may terminate this Agreement upon written notice to the Defaulting Party.

4. Miscellaneous.

a. Notices. All notices, demands, requests, consents or other communications which this Agreement contemplates or authorizes, or requires or permits either Party to give to the other, shall be in writing and shall be personally delivered or mailed to the respective Party as follows:

TO CITY:

City of Oceanside
300 North Coast Highway
Oceanside, CA 92054
Attn: Water Utilities Director

Telephone: (760)435-5827
Facsimile: (760)435-5821
Email: cdale@ci.oceanside.ca.us

TO VID:

Vista Irrigation District
1391 Engineer Street
Vista, CA 92081-8836
Attn: General Manager

Telephone: (760)597-3117
Facsimile: (760)597-3017
Email: eboone@vidwater.org

Either Party may change its address by notice to the other party as provided herein. Communications shall be deemed to have been given and received on the first to occur of:

i. Actual receipt at the offices of the Party to whom the communication is to be sent, as designated above, or

ii. Three (3) working days following the deposit in the United States mail of registered or certified mail, postage prepaid, return receipt requested, addressed to the offices of the Party to whom the communication is to be sent, as designated above

b. Warranty of authority of signers. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the City and VID.

c. Force majeure. Any delay in performance under this Agreement by either Party shall be excused if such delay is caused by unforeseen events beyond the Parties' control. Such unforeseen events include but are not limited to war, government regulations, labor disputes, strikes, fires, earthquakes, floods, adverse weather, other similar action of the elements, and other causes substantially equal in gravity.

d. Severability. Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision and all other provisions, which are otherwise lawful, shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

e. Integration, construction and amendment.

i. This Agreement comprises the entire integrated understanding between the City and VID concerning the City's sale to VID of treated water from the WFP, and this Agreement supersedes all prior negotiations, representations or agreements.

ii. The interpretation, validity and enforcement of this Agreement shall be governed by and construed under the laws of the State of California. This Agreement does not limit any other rights or remedies available to the Parties.

iii. This Agreement may not be modified orally or in any manner other than by a writing signed by the Parties hereto.

IN WITNESS WHEREOF, the Parties hereto for themselves, their heirs, executors, administrators, successors and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Agreement to be executed by setting hereunto their signatures on the dates indicated below:

VISTA IRRIGATION DISTRICT

CITY OF OCEANSIDE

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____



STAFF REPORT

Agenda Item: 13

Board Meeting Date:	January 4, 2017
Prepared By:	Don Smith
Reviewed By:	Brett Hodgkiss
Approved By:	Eldon Boone

SUBJECT: WARNER RANCH HUNTING CONCESSION

RECOMMENDATION: Authorize the General Manager to execute an Eighth Amendment to the Lake Henshaw Resort Concession Management Agreement and accept the Third Trespass Sublease Agreement expanding hunting operations on the Warner Ranch.

PRIOR BOARD ACTION: In 2006, the Board approved a fourth amendment to the Lake Henshaw Resort Concession Management Agreement (Agreement) to permit deer and turkey hunting on the Warner Ranch. On August 16, 2010, the Board approved a sixth amendment to the Agreement to expand hunting operations on the Warner Ranch to include dove, quail and deer archery seasons.

FISCAL IMPACT: The current hunting concession will produce \$80,000 rental income in 2017; the proposed expanded hunting activities will generate an additional \$45,000 in rental income during the same period bringing the total rental income to \$125,000.

SUMMARY: Currently, the hunting concession allows for waterfowl hunting on Lake Henshaw in season, turkey and deer hunting on the Warner Ranch in the spring and fall, respectively, and dove, quail and archery deer hunting (in season) on certain portions of the Warner Ranch (the Bull, Steer and Mataguay Pastures). District staff has not experienced any significant interference with its operations at Lake Henshaw or on Warner Ranch or other District lessees/licensees due to hunting activities. The concessionaire has expressed interest in expanding hunting activities, as described below, on Warner Ranch through the end of the current Agreement (December 31, 2017).

DETAILED REPORT: Lake Henshaw Resort, Inc. has requested to expand the hunting operations allowed under the Agreement to include: 1) guided "put and take" hunting of game birds; and 2) limited waterfowl hunting privileges on Swan Lake. The expanded hunting operations are more specifically described in the attached amendment and associated Third Trespass Sublease Agreement.

ATTACHMENTS: Eighth Amendment to the Concession Management Agreement
Third Trespass Sublease Agreement

CONCESSION MANAGEMENT AGREEMENT

Eighth Amendment

This Eighth Amendment entered into as of _____ by and between Lake Henshaw Resort, Inc. (hereinafter referred to as CONCESSIONAIRE) and the Vista Irrigation District (hereinafter referred to as DISTRICT).

The Parties entered into a Concession Management Agreement, dated April 3, 1995, (hereinafter the AGREEMENT) by which CONCESSIONAIRE manages the operation, maintenance and capital improvement of DISTRICT owned public recreation facilities and mobile home/recreational vehicle park at Henshaw Reservoir as well as hunting, fishing and camp activities throughout the Warner Ranch, which is owned by the DISTRICT. In accordance with the terms and conditions of the AGREEMENT, the Parties wish to amend paragraph 3.3(c) "Rental for Hunting Activities", as described in Attachment "A" to this Amendment. All other terms and conditions of the original AGREEMENT and prior amendments remain in full force.

Vista Irrigation District

Lake Henshaw Resort, Inc.

Name: _____

Name: _____

Title: _____

Title: _____

Signature: _____

Signature: _____

Date: _____

Date: _____

ATTACHMENT "A"

3.3 Concession Agreement Payment

(c) Rental for Hunting Activities

[amend paragraph 3.3(c) by adding the following text at the end of that section]

Additional supplemental rents shall be assessed for 2017 as follows: 1) \$40,000 for the guided "put and take" hunting of commercially raised game birds (generally pheasant, grouse or chukar) during the Licensed Game Bird hunting season, September 1 through May 31, which is specifically authorized by this amendment for calendar year 2017; and 2) \$5,000 for limited waterfowl hunting privileges on Swan Lake. For 2017, which limited privileges shall consist of five (5) days of hunting within the waterfowl season, with no more than five (5) hunters on each day. Half of each of these supplemental rents will be due from CONCESSIONAIRE to DISTRICT on February 1, 2017, and the other half will be due on September 1, 2017. CONCESSIONAIRE shall be responsible for ensuring the avoidance of all conflicts between all hunting and recreational uses, and for coordinating the hunting uses with DISTRICT and DISTRICT's other lessees/licensees.

Third Trespass Sublease Agreement Lake Henshaw Recreation Area

This sublease is made this _____ day of _____, 2017, by and between MY COUNTRY CLUB, INC., a California corporation, hereinafter called "Sublessee", and LAKE HENSHAW RESORT INC., a California corporation, hereinafter called "Sublessor" or "Concessionaire".

RECITALS

- A. On April 3, 1995, Vista Irrigation District ("District") and Concessionaire entered into a Concession Management Agreement (the "Original Agreement") for the operation, maintenance and capital improvement of District owned public recreation facilities and mobile home/recreational vehicle park upon Henshaw Reservoir and upon portions of the surrounding watershed known as the Warner Ranch owned by District, in northern San Diego County, California (defined in the Original Agreement as the "Recreation Area"); and
- B. On July 3, 1996, November 19, 1996, and May 1, 2003, District and Concessionaire entered into First, Second, and Third Amendments, respectively, to the Original Agreement; and
- C. District has entered into a series of "cattle leases" for portions of the Warner Ranch adjacent to the Recreation Area. Concessionaire has a first right of refusal from District for all camping, hunting, and fishing rights within the Warner Ranch, and the District has the right under the cattle leases to allow Concessionaire to conduct camping, hunting, and fishing activities throughout the Warner Ranch.
- D. On December 26, 2006, District and Concessionaire entered into the Fourth Amendment to the Original Agreement, by which District authorized Concessionaire to sublease certain lands to Sublessee, for the purpose of allowing Sublessee's members to enter certain portions of the Recreation Area and other portions of the Warner Ranch for hunting and related uses, subject to rules, regulations, and lease terms set forth in such Fourth Amendment. (The Original Agreement, as amended by the First, Second, Third and Fourth Amendments described above, is hereinafter referred to as the "Concession Management Agreement".)
- E. The hunting rights under the Fourth Amendment expired by the terms of the Fourth Amendment on January 31, 2010. A Fifth Amendment was executed on March 22, 2010 to extend the terms of the Fourth Amendment through May 3, 2010.
- F. On August 24, 2010, the District and Concessionaire entered into a Sixth Amendment to the Original Agreement to expand hunting activities to include dove, quail and archery deer hunting on certain portions of the Warner Ranch.
- G. Concessionaire and Sublessee desire to continue to sublease those lands covered by the Fourth and Sixth Amendments to conduct hunting and fishing activity within the areas

covered by the Fourth and Sixth Amendments for the remainder of the term of the Concession Management Agreement. Sublessor and Sublessee wish to enter into a trespass sublease incorporating herein by reference all of the terms of the Concession Management Agreement so that Sublessee is bound to all terms of the Concession Management Agreement to the same extent that Concessionaire is bound to District.

- H. Sublessee is in the business of operating a private recreational club and proposes a series of trespass leases so its members may enter the lands of District and Sublessor subject to rules, regulations, and lease terms set forth in this document.
- I. Sublessor desires to sublease to Sublessee all of the above-described property being leased by Sublessor under the terms of the Concession Management Agreement and Sublessee desires to lease such space from Sublessor.

THEREFORE, Sublessor and Sublessee agree as follows:

Demise and Description of Property

1. Sublessor hereby leases to Sublessee, and Sublessee hereby hires from Sublessor, on and subject to the terms, conditions, and covenants hereinafter set forth, the property, hereinafter referred to as the "subleased premises," located in San Diego County, California, described as follows: the Lake Henshaw Recreation Area and San Diego County, California 92070.

The subleased premises is referred to and described in the Concession Management Agreement as the "Hunting Lands," and such description is incorporated herein by reference. District has approximately 44,000 acres which belong to it and comprise the subleased premises, and a portion of that is subject to a series of cattle lease agreements. District and/or Sublessor will advise Sublessee of the terms of each of those cattle lease agreements so that Sublessee's seasonal access to the subleased premises by way of this Trespass Sublease Agreement will not conflict with the pre-existing cattle lease agreements.

Term

2. The term of this sublease shall continue until and expire on December 31, 2017, provided, however, that this sublease shall sooner terminate by surrender, forfeiture, or other of either the Concession Management Agreement or this Sublease.

Rent

3. (A.) Sublessee shall pay to District as rent for the subleased premises an annual rental as indicated below. The rent shall consist of a base rent, to include the spring turkey season, the rifle deer season, waterfowl, duck and goose hunting, and fishing privileges. Supplemental rents shall be assessed for dove, quail and archery deer seasons. Half of the base rent and half of the supplemental rents for the "put and take" hunting of commercially raised game birds and the limited hunting of water fowl on Swan Lake shall be paid not later than February 1, 2017, and the second half of the base rent plus all applicable supplemental rents shall be paid not later than September 1, 2017.

(B.) Schedule of Annual Rents

Year	Base Rent	Supplemental Rent					Total Rent
		Dove	Quail	Archery Deer	“Put & Take” of Game Birds	Waterfowl on Swan Lake	
2017	\$60,000	\$9,000	\$9,000	\$2,000	\$40,000	\$5,000	\$125,000

In addition, the District may allow the hunting of wild pig under the Concession Management Agreement from time to time by written permission. Due to the evolving nature of wild pig distribution and population, its potential for damage to District resources, and its potential to enhance the revenue of the Sublessor, the terms and conditions of such permission will be negotiated at the time that such permission is granted.

Use of Premises

4. The subleased premises shall be used by Sublessee for hunting, fishing, and for uses normally incident thereto and for no other purpose. The parties intend limited participants in limited areas. Hunting for water fowl, duck, and goose shall be limited to Lake Henshaw and Swan Lake. Hunting for water fowl on Swan Lake shall be limited to five (5) days of hunting within the waterfowl season, with no more than five (5) hunters on each day. Fishing is on Lake Henshaw. Hunting of dove, quail, and archery deer on the bull pasture, steer pasture, and Mataguay area. Turkey and rifle deer hunting shall be conducted on the entire Hunting Lands. Guided “put and take” hunting of commercially raised game birds (generally pheasant, grouse or chukar) during the Licensed Game Bird hunting season, September 1 through May 31, shall generally be conducted in the following pastures: 1) northern and eastern shores of Lake; 2) North Lake; 3) Monkey Hill; 4) Bull; 5) Steer; 6) Ranchita 1 & 2; 7) Windmill; and 8) Mataguay 1 & 2. District reserves the right to limit hunting use from season to season based on good wild life management practices or health and safety issues. The Sublessee shall maintain District approved hunting zones for each hunting season and shall limit deer and turkey hunting to a single hunting party per day within each hunting zone. Hunting shall be restricted to the legal hunting season, but shall not exceed a single five week season per year for deer and turkey, each. Any limitation in use imposed by District will result in a reasonable rent reduction arrived at through good faith and fair dealing negotiations between the parties. Rent may be increased if additional hunting and fishing species are added. No rights or uses other than those specifically conferred by this agreement shall be extended to the Sublessee. All other provisions of the Concession Management Agreement shall remain intact.

Obligations of Sublessee

5. (A) Sublessee hereby expressly assumes and agrees to perform all the obligations and covenants required by the Concession Management Agreement to be kept or performed by Sublessor as Concessionaire therein, except that the obligation and covenant to pay rent to the District required by the Concession Management Agreement shall be considered performed by Sublessee to the extent and in the amount rent is paid to District in accordance with Paragraph 3 of this sublease. District is an intended third party beneficiary with the express right to enforce against Sublessee any of the terms of the Concession Management Agreement. Sublessee agrees to abide by all changes in use conditions imposed by District.

(B) Sublessee shall name District as an additionally named insured in a commercial general liability insurance policy in an amount not less than one million dollars (\$1,000,000.00) for a single incident and two million dollars (\$2,000,000.00) for a combined limit, in combination with an umbrella insurance policy with liability coverage with a \$5,000,000 limit. The Sublessee shall, to the fullest extent permitted by law, defend, indemnify and hold harmless the Concessionaire and the District, and their respective directors, officers, employees, and authorized volunteers from any and all liabilities, claims, losses, damages, and costs (including attorneys fees and costs of defense) resulting from any and all activities arising out of the Sublessee's (including any and all members of My Country Club, Inc. and any other of its invitees) use of the premises as provided in this agreement.

(C) Sublessee shall comply with the rules and regulations contained in the Concession Management Agreement as Attachment 2, and shall require all of its members and guests to execute District's standard Warner Ranch Guidelines and Rules, and Release and Indemnification form in a form substantively identical to those set forth in Attachments 3 and 4 of the Concession Management Agreement.

(D) Sublessee covenants and agrees to pay the rent herein reserved, use the subleased premises for the purpose of hunting, fishing, and uses normally incident thereto, and to surrender the leased premises on expiration or earlier termination of the term hereof in as good condition as they now are, reasonable wear and tear excepted.

(E) Sublessee shall defend, indemnify and hold harmless District from any litigation involving an environmental or regulatory challenge to the hunting and fishing uses allowed by this agreement. Sublessee may terminate this agreement should Sublessee determine in its sole opinion that environmental applications, compliances, and/or litigation is not economically feasible.

(F) Sublessee will be required to perform the following functions in oversight of the hunting and fishing operations for Sublessor:

1. Zone the ranch using GPS coordinate into viable hunting zones.
2. Log name, location, and date of each member's use.
3. Issue a combination for the specific gate for that area.
4. Issue a cone for the top of each member's vehicle, similar to the ones used by car dealerships, for easy visual identification by District employees and cowboys.
5. Require members to only drive on existing roads and park parallel on them. All hunting will be done on foot.
6. Require members to display placards in windows and show wallet sized membership cards if asked.

7. Control of access by changing the combination on locks.
8. Daily patrol during hunting seasons when hunters are present, enforcing all rules and guidelines set forth in the then current versions of Attachments 2 and 3 of the Concession Management Agreement.
9. Comply with all rules and regulations of state and federal agencies including Fish and Game and all other applicable laws.
10. The Sublessee understands that the subleased premises shall be used concurrently by the Sublessee, the District and other authorized users, and that the long term success of the Sublessee's operations requires cooperation among all parties. The Sublessee shall provide all such cooperation as required.
11. The Sublessee shall maintain daily records, by hunting zone, of:
 - a) Names of hunters;
 - b) Names of guests;
 - c) Number of shots fired;
 - d) Description of game taken;
 - e) Comments about unusual events or observations (i.e. trespassers noted, damage observed, etc.)
12. Provide a guide to accompany hunters at all times while on District property for "put and take" hunting of game birds.

(G) Sublessee will be required to prepare an annual assessment of the size and health of the local deer herd, with recommendations for limitations and requirements for deer take. This annual report shall be prepared by a Certified Wildlife Biologist or other professional as approved by the District and shall be submitted to the District not later than the opening of deer season. The Sublessee shall be responsible to enforce the report's recommendations upon its hunting membership.

(H) Sublessee shall limit its membership to 100 hunters who are eligible to hunt on District Property each year. "Put and take" game bird hunters are not required to be members of the Sublessee's hunt club, but shall be subject to all its rules and regulations.

Termination

6. The agreement may be terminated by the District upon thirty (30) days written notice with or without cause and rent shall be prorated for the remaining term. In addition, the District retains the right to immediately suspend all hunting or fishing activities, at its sole discretion, for health and safety reasons or as reasonably necessary to protect the public good.

Executed at Escondido, California, on the day and year first above written.

SUBLESSEE

SUBLESSOR

My Country Club, Inc.

Lake Henshaw Resort, Inc.

ACCEPTANCE OF TRESPASS SUBLEASE AGREEMENT

District, as Master Lessor, accepts this Trespass Sublease Agreement and shall have the right to enforce any terms of this agreement against Sublessee.

DISTRICT

Eldon Boone, General Manager
Vista Irrigation District

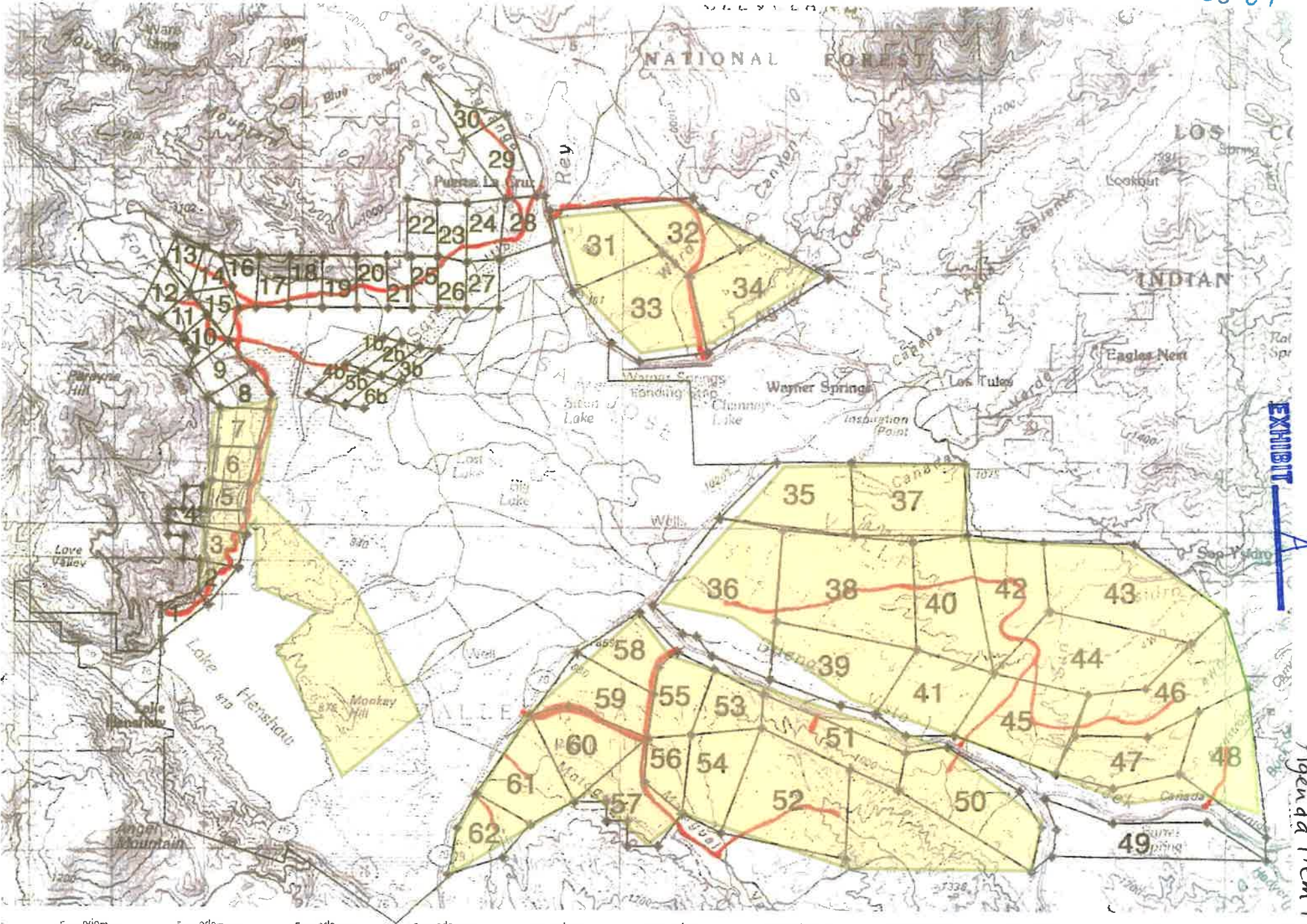
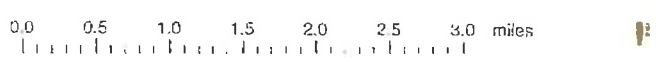


EXHIBIT A

Agenda Item 13

521000m E. 523000m E. 525000m E. 527000m E. 529000m E. 531000m E. 533000m E. 535000m E. 537000m E. WGS84 Zone 11S 5410000m N





STAFF REPORT

Agenda Item: 14

Board Meeting Date:	January 4, 2017
Prepared By:	Lisa Soto
Reviewed By:	Brett Hodgkiss
Approved By:	Eldon Boone

SUBJECT: DISTRICT COMMITTEES AND REPRESENTATIVES TO OUTSIDE ORGANIZATIONS

RECOMMENDATION: That the Board review and ratify committee and outside organization appointments for 2017.

PRIOR BOARD ACTION: At its December 7, 2016 meeting, the Board elected Marty Miller as President for 2017 with Randy Reznicek as First Vice President and Richard Vasquez, Paul Dorey and Jo MacKenzie to serve as Vice Presidents. Eldon Boone was reappointed as Treasurer with Marlene Kelleher and Brett Hodgkiss as Assistant Treasurers. Lisa Soto was reappointed as Board Secretary with Marian Schmidt and Eldon Boone as Assistant Secretaries.

FISCAL IMPACT: Undetermined amount of expenses and per diem.

DETAILED REPORT: For reference, the following list of the District's committee and outside organization assignments for 2016 has been provided pending President Miller's committee appointments for 2017.

ATTACHMENT: 2016 Committee and Outside Organization Appointments

STANDING COMMITTEES FOR 2016:

Water Sustainability

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

Reznicek, Chair; and Dorey

Fiscal Policy

District budget and finances, including rates.

Vásquez, Chair; and Miller

Warner Ranch

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

Dorey, Chair; and Miller

Public Affairs

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

Vásquez, Chair; and Reznicek

AD HOC COMMITTEES FOR 2016:

Indian Settlement

Miller, Chair; and MacKenzie

Groundwater

Dorey, Chair; and MacKenzie

OUTSIDE ORGANIZATIONS FOR 2016

Lower San Luis Rey Watershed Council

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

Dorey; Alternate-Jessica Sherwood

ACWA/JPIA

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

Dorey; Alternate-Eldon Boone

Southern California Water Committee

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

Dorey; Alternate-Vásquez

Groundwater Resources Association

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

Dorey; Alternate-Vásquez

DRAFT

EXHIBIT

B

Hem 14

2017 COMMITTEE APPOINTMENTS

2017 District Officers

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

2016 Standing Committees

Water Sustainability:	Reznicek, Chair; and Dorey <u>Vasquez</u>
Fiscal Policy:	Vásquez <u>Miller</u> , Chair; and Miller <u>Reznicek</u>
Warner Ranch:	Dorey, Chair; and Miller <u>MacKenzie</u>
Public Affairs:	Vásquez, Chair; and Reznicek <u>Dorey</u>

2016 Ad Hoc Committees

Indian Settlement:	Miller, Chair; and MacKenzie
Groundwater	Dorey, Chair, and MacKenzie

2016 Outside Organizations

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



STAFF REPORT

Agenda Item: 15

Board Meeting Date: January 4, 2017
Prepared By: Brett Hodgkiss
Approved By: Eldon Boone

SUBJECT: CONFLICT OF INTEREST CODE

RECOMMENDATION: Discussion only.

PRIOR BOARD ACTION: None.

FISCAL IMPACT: None.

SUMMARY: At the December 7, 2016 meeting, Director MacKenzie requested that an item be added to the January 4, 2017 Board meeting agenda to discuss issues relating to the Conflict of Interest Code.



Agenda Item: 16

STAFF REPORT

Board Meeting Date: January 4, 2017
Prepared By: Eldon Boone

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

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



STAFF REPORT

Agenda Item: 17.A

Board Meeting Date: January 4, 2017
Prepared By: Lisa Soto
Approved By: Eldon Boone

SUBJECT: REPORTS ON MEETINGS AND EVENTS ATTENDED BY DIRECTORS

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



STAFF REPORT

Agenda Item: 17.B

Board Meeting Date: January 4, 2017
Prepared By: Marian Schmidt
Approved By: Eldon Boone

SUBJECT: SCHEDULE OF UPCOMING MEETINGS AND EVENTS

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

	SCHEDULE OF UPCOMING MEETINGS AND EVENTS	ATTENDEES
1	AB 1234 Ethics Compliance Training on Demand Webinar (CSDA) <i>Free between Jan. 6 and Mar. 15, 2017 on a computer of your choice</i> <i>Contact Marian Schmidt for log-on instructions</i>	
2	Must Have Communication Protocols for Board/Staff Webinar (CSDA) <i>Jan. 12, 2017 – 10:00 a.m. – 12:00 p.m.</i> <i>Registration deadline: 1/6/17</i>	
3	Brown Act – Principal, Traps, and Violations Webinar (CSDA) <i>Jan. 18, 2017 – 10:00 a.m. – 12:00 p.m.</i> <i>Registration deadline: 1/13/17</i>	
4	Board Member Best Practices (CSDA) <i>Jan. 19, 2017 – Three Valleys Municipal Water District, Claremont</i> <i>Registration deadline: 1/13/17</i>	
5	Vista Chamber State of the Community Luncheon <i>Jan. 23, 2017- 12:00 p.m. – 2:00 p.m. – Vista Civic Center</i> <i>Registration deadline: None</i>	MacKenzie
6	Required Harassment Prevention for Staff/Board (CSDA) <i>Jan. 24, 2017 – Santa Ynez Community Services District</i> <i>Registration deadline: 1/20/17</i>	
7	Board Member Best Practices (CSDA) <i>Jan. 26, 2017 – Santa Ynez Community Services District, Santa Ynez</i> <i>Registration deadline: 1/20/17</i>	
8	Proposition 26, Proposition 218 & Rate Setting (CSDA) <i>Feb. 1, 2017 – Vista Irrigation District</i> <i>Registration deadline: 1/27/17</i>	
9	Board Member Best Practices (CSDA) <i>Feb. 3, 2017 – CSDA Training Center, Sacramento</i> <i>Registration deadline: 1/27/17</i>	
10	Urban Water Institute’s Spring Water Conference <i>Feb. 8-10, 2017 – Hilton Palm Springs</i> <i>Registration deadline: 1/23/17</i>	
11	Board Member Best Practices (CSDA) <i>Feb. 9, 2017 – Clovis Veterans Memorial District, Clovis</i> <i>Registration deadline: 2/3/17</i>	
12	Western Water Law (CLE International) <i>Feb. 9-10, 2017 – The Westin, San Diego</i> <i>Registration deadline: 2/5/17</i>	
13	Board Member Best Practices (CSDA) <i>Feb. 16, 2017 – Santa Clara Valley Water District, San Jose</i> <i>Registration deadline: 2/10/17</i>	

14	Who Does What? Best Practices in Board/Staff Webinar (CSDA) <i>Feb. 22, 2017 – 10:00 a.m. – 12:00 p.m.</i> <i>Registration deadline: 2/10/17</i>	
15	Board Member Best Practices (CSDA) <i>Feb. 23, 2017 – Shasta Mosquito and Vector Control District, Anderson</i> <i>Registration deadline: 2/17/17</i>	
16	State Water Project/Bay Delta Tour (SDCWA/MWD) <i>Feb. 24-25, 2017 – Meets at SDCWA</i> <i>Registration deadline: 1/20/17</i>	
17	Special District Leadership Academy Conference (CSDA) <i>Feb. 26 – Mar. 1, 2017 – Embassy Suites, La Jolla</i> <i>Registration deadline: 2/17/17</i>	
18	ACWA Washington DC Conference <i>Feb. 28-Mar.1, 2017 – St. Regis Hotel, Washington DC</i> <i>Registration deadline: 2/10/17</i>	
19	State Water Project/Bay Delta Tour (SDCWA/MWD) <i>March 4-5, 2017 – Meets at SDCWA</i> <i>Registration unavailable at this time</i>	
20	ACWA Legislative Symposium <i>March 8, 2017 – Sacramento Convention Center</i> <i>Registration deadline: TBD</i>	
21	Proposition 26, Proposition 218 & Rate Setting (CSDA) <i>March 15, 2017 – East Bay Municipal Utility District, Oakland</i> <i>Registration deadline: 3/3/17</i>	
22	Required Ethics AB1234 Compliance Training Webinar <i>March 16, 2017 – 10:00 a.m. – 12:00 p.m.</i> <i>Registration deadline: 3/10/17</i>	
23	Colorado River Aqueduct System Tour (SDCWA/MWD) <i>March 17-18, 2017 – Meets at SDCWA</i> <i>Registration unavailable at this time</i>	
24	Legislative Round-Up Webinar (CSDA) <i>March 30, 2017 – 10:00 a.m. – 12:00 p.m.</i> <i>Registration deadline: 3/24/17</i>	
25	California Water Policy 26 <i>April 6-7, 2017 – Courtyard by Marriott at Liberty Station, San Diego</i> <i>Registration deadline: 3/20/17</i>	
26	Special District Leadership Academy Conference SLO (CSDA) <i>April 23-26, 2017 – Embassy Suites, San Luis Obispo</i> <i>Registration deadline: 4/14/17</i>	
27	ACWA Spring Conference <i>May 9-12, 2017 – Monterey Marriott and Portola Hotel, Monterey</i> <i>Registration deadline: TBD</i>	
28	Special Districts Legislative Days <i>May 16-17, 2017 – The Grand Events Center, Sacramento</i> <i>Registration deadline: 5/5/17</i>	
29	Santa Ana River Watershed Conference (Water Education Foundation) <i>May 25, 2017 – Ontario Convention Center</i> <i>Registration deadline: TBD</i>	
30	Required Harassment Prevention for Staff/Board Webinar (CSDA) <i>June 6, 2017 – 10:00 a.m. – 12:00 p.m.</i> <i>Registration deadline: 5/26/17</i>	
31	Special District Leadership Academy Conference (CSDA) <i>July 9-12, 2017– Embassy Suites Napa Valley, Napa</i> <i>Registration deadline: 6/30/17</i>	

32	Water Reclamation and Reuse Conference (International Water Association) <i>July 23-27, 2017 – Long Beach</i> <i>Registration deadline: TBD</i>	
33	Staying in Compliance: Understand District Special Laws (CSDA) <i>Aug. 24, 2017 – Oxnard Harbor District, Port Hueneme</i> <i>Registration deadline: 8/18/17</i>	
34	Legislative Round Up Webinar (CSDA) <i>Aug. 31, 2017 – 10:00 a.m. – 12:00 p.m.</i> <i>Registration deadline: 8/25/17</i>	
35	CSDA Annual Conference <i>Sept. 25-28, 2017 – Marriott and Monterey Conference Center, Monterey</i> <i>Registration deadline: 9/8/17</i>	
36	Required Ethics AB1234 Compliance Training Webinar (CSDA) <i>Nov. 8, 2017 – 10:00 a.m. – 12:00 p.m.</i> <i>Registration deadline: 10/27/17</i>	
37	ACWA Fall Conference <i>Nov. 28-Dec. 1, 2017 – Anaheim Marriott Hotel</i> <i>Registration deadline: TBD</i>	

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

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

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



Agenda Item: 18

STAFF REPORT

Board Meeting Date: January 4, 2017
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:

- Groundwater Study proposal
- Sponsorship opportunities
- Grazing licenses on Warner Ranch



Agenda Item: 19

STAFF REPORT

Board Meeting Date: January 4, 2017
Prepared By: Lisa Soto

SUBJECT: COMMENTS BY DIRECTORS

SUMMARY: This item is placed on the agenda to enable individual Board members to convey information to the Board and the public not requiring discussion or action.



Agenda Item: 20

STAFF REPORT

Board Meeting Date: January 4, 2017
Prepared By: Eldon Boone

SUBJECT: COMMENTS BY GENERAL COUNSEL

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



Agenda Item: 21

STAFF REPORT

Board Meeting Date: January 4, 2017
Prepared By: Eldon Boone

SUBJECT: COMMENTS BY GENERAL MANAGER

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



Agenda Item: 22

STAFF REPORT

Board Meeting Date: January 4, 2017
Prepared By: Eldon Boone

SUBJECT: STATUS OF SAN LUIS REY INDIAN WATER RIGHTS SETTLEMENT IMPLEMENTATION

SUMMARY: Discuss issues relating to implementation of the San Luis Rey Indian Water Rights Settlement.

ATTACHMENT: Outline of Critical Path to Final Settlement, San Luis Rey Indian Water Rights Settlement Proceedings

Outline of Critical Path to Final Settlement
San Luis Rey Indian Water Rights Settlement Proceedings
(Rev. December 28, 2016)

- I. Settlement and Implementing Agreements**
[Need new signatures from Jewell and Cruden on the Settlement Agreement as a result of changes made to H.R. 1296. Departments of Interior and Justice have said they are working on it.]
- II. Office of Management and Budget (OMB) Certification – Sec. 3605(b) of Water Infrastructure Improvements for the Nation Act (WIIN)**
[Required as part of the legislative amendments – affects the availability of money from the San Luis Rey Tribal Development Fund but does not alter effectiveness of Agreements; in process.]
- III. Existing Indian and Federal Rights-of-Way (ROW) for the Local Water System**
[ROW Exhibit complete; will be attached to US District Court Stipulation; each Indian Band will execute a resolution approving the rights-of-way shown on the exhibit.]
- IV. Rights-of-Way for the San Pasqual Undergrounding Project**
[Complete & executed; awaiting recordation.]
- V. New Escondido-VID Agreement**
[Draft Local Entities' Agreement prepared]
- VI. Final Disposition of US District Court Cases**
[Stipulations need to be finalized with federal staff; court date needs to be set; and final stipulation needs to be approved by each of five Indian Bands. Once US District Court proceedings are concluded, the Settlement Agreement becomes effective.]
- VII. FERC Conduit Exemption and License Surrender Order**
[Conditional Order issued and becomes effective once US District Court approves and files stipulations. Once this Order becomes effective, the Implementing Agreement also becomes effective.]
- VIII. New Rincon Penstock Agreement**
[Negotiations pending between Rincon and City of Escondido.]
- IX. Assignment of Forman Deeds**
[Draft of Assignment prepared by Vista Irrigation District (VID) is being reviewed by Indian Bands. VID Board action required to assign right to enforce rights and interests granted under the Forman Deeds to the Indian Bands and/or the San Luis Rey Indian Water Authority.]



STAFF REPORT

Board Meeting Date: January 4, 2017
Prepared By: Eldon Boone

SUBJECT: CLOSED SESSION FOR CONFERENCE WITH LEGAL COUNSEL—EXISTING AND ANTICIPATED LITIGATION

- A. Existing Litigation per Government Code section 54956.9(d)(1): Rincon Band of Mission Indians, et al v. Escondido Mutual Water Company, et al., etc., US District Court S.D. CA No. 69-cv-217-WQH-KSC (San Luis Rey Indian Water Rights Litigation) (Settlement)
- B. Anticipated Litigation per Government Code section 54956.9(d)(4): One potential case.

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

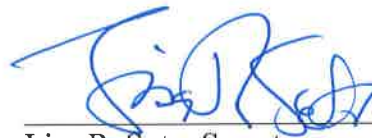
A REGULAR MEETING OF THE BOARD OF DIRECTORS OF VISTA IRRIGATION DISTRICT, HELD ON JANUARY 4, 2017, WAS ADJOURNED UNTIL 8:30 AM, JANUARY 18, 2017, AT THE OFFICE OF THE VISTA IRRIGATION DISTRICT, 1391 ENGINEER STREET, VISTA, CALIFORNIA.

* * * * *

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 4, 2017