

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, DECEMBER 19, 2012, AT 4:00 P.M.  
AT THE DISTRICT OFFICE  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – DIRECTOR HERNANDEZ

PLEDGE OF ALLEGIANCE – GENERAL MANAGER LAMB

OATH OF OFFICE – Administration of the Oath of Office to appointed Board members Betty Evans (Division 1), Margaret E. Ferguson (Division 4) and Hal Martin (Division 5) to fill the terms of Director ending in 2016.

ROLL CALL

In the case of an emergency, items may be added to the Agenda by a majority vote of the Board of Directors. An emergency is defined as a work stoppage; a crippling disaster; or other activity which severely imperils public health, safety, or both. Also, items which arise after the posting of the Agenda may be added by a two-thirds vote of the Board of Directors.

ADOPT AGENDA FOR THE REGULAR MEETING OF DECEMBER 19, 2012

1.1 BOARD REORGANIZATION

*It is anticipated that Director Hernandez will begin his duties as Board President and Director Ferguson will begin her duties as Vice President for the calendar year 2013. Director Hernandez has provided a list of intended appointments for review and approval by the full Board.*

- Recommendation:**
- 1. Elect President of the Board**
  - 2. Elect Vice President of the Board**
  - 3. Approve Officers, Committee members and Representatives**

ORAL COMMUNICATIONS

Persons wishing to address a matter not on the Agenda may be heard at this time; however, no action will be taken until the matter is placed on a future agenda in accordance with Board policy.

NOTICE TO THE PUBLIC

All matters listed under the Consent Calendar will be voted upon by one motion. There will be no separate discussion of these items, unless a Board member or member of the public requests that a particular item(s) be removed from the Consent Calendar, in which case it will be considered separately under Action Items.

CONSENT CALENDAR

2.1 APPROVAL OF MINUTES

A. REGULAR BOARD MEETING – DECEMBER 5, 2012

*Approved minutes become a permanent public record of the District.*

**Recommendation: Approve Minutes**

2.2 WARRANT LIST THROUGH DECEMBER 19, 2012 - \$663,975.47

**Recommendation: Approve Warrant List**

2.3 FINANCIAL REPORTS

- A. WATER METER COUNT – NOVEMBER 30, 2012
- B. WATER PRODUCTION/SALES REPORT – 2012/2013
- C. WATER REVENUE AND EXPENSE REPORT – NOVEMBER 30, 2012
- D. SEWER REVENUE AND EXPENSE REPORT – NOVEMBER 30, 2012
- E. RESERVE FUNDS ACTIVITY – NOVEMBER 30, 2012
- F. INVESTMENT REPORT – NOVEMBER, 2012

2.4 FINAL ACCEPTANCE FOR CANDERA – SAN MARCOS TRACT NO. 479  
WATER AND SEWER IMPROVEMENTS (TRI POINTE, LLC)

*Tri Pointe, LLC has completed the installation of water and sewer facilities for the project.*

**Recommendation: Final Acceptance**

\*\*\*\*\*END OF CONSENT CALENDAR\*\*\*\*\*

ACTION ITEMS

3.1 LIFT STATION NO. 1 PUMP IMPROVEMENTS PROJECT APPROVAL

*Improvements will increase the wastewater deliveries to MRF and boost its recycled water production capacity.*

**Recommendation: Approve Lift Station No. 1 pump improvements and authorize a budget amount of \$534,000.00**

\*\*\*\*\*END OF ACTION ITEMS\*\*\*\*\*

REPORTS

4.1 GENERAL MANAGER

4.2 DISTRICT LEGAL COUNSEL

- 4.3 SAN DIEGO COUNTY WATER AUTHORITY  
- *Summary of Formal Board of Directors' Meeting – November 30, 2012*  
- *Summary of Special Board of Directors' Meeting – November 30, 2012*

4.4 ENCINA WASTEWATER AUTHORITY

4.5 ACWA/REGION 10

4.6 LAFCO

4.7 DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS  
ATTENDED

\*\*\*\*\*END OF REPORTS\*\*\*\*\*

OTHER BUSINESS

5.1 MEETINGS

**WEF Lower Colorado River Tour**

March 20-22, 2013 – Begins in Las Vegas, NV/Ends in Ontario, CA

**Additional 2013 WEF Tour Dates:**

April 4-5 – Sea to Sierra Water Tour

April 17-19 – Central Valley Tour

May 16-17 – Flood Management Tour

June 12-14 – Bay-Delta Tour

October 16-18 – Northern California Tour

November 7-8 – San Joaquin River Restoration Tour

\*\*\*\*\*END OF OTHER BUSINESS\*\*\*\*\*

CLOSED SESSION

6.1 CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION  
54956.95 LIABILITY CLAIM – CLAIMANT:  
Bruce Friedberg

6.2 CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION  
54956.9(a) CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION  
(ONE CASE)

\*\*\*\*\*END OF CLOSED SESSION\*\*\*\*\*

7.1 ADJOURNMENT

\*\*\*\*\*END OF AGENDA\*\*\*\*\*

If you have any disability which would require accommodation in order to enable you to participate in this meeting, please call the Executive Secretary at 760.744.0460 ext. 264 at least 48 hours prior to the meeting.

AFFIDAVIT OF POSTING

I, Diane Posvar, Executive Secretary of the Vallecitos Water District, hereby certify that I caused the posting of this Agenda in the outside display case at the District office, 201 Vallecitos de Oro, San Marcos, California by 3:00 p.m., Friday, December 14, 2012.

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Diane Posvar

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, DECEMBER 19, 2012, AT 4:00 PM AT THE DISTRICT OFFICE,  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

Director Hernandez called the Regular meeting to order at the hour of 4:00 p.m.

General Manager Lamb led the pledge of allegiance.

OATH OF OFFICE

Legal Counsel Scott administered the Oath of Office to elected Board members Betty Evans (Division 1), Margaret E. Ferguson (Division 4) and Director Martin (Division 5) to fill the terms ending in 2016.

Present: Director Evans  
Director Ferguson  
Director Hernandez  
Director Martin  
Director Poltl

Staff Present: General Manager Lamb  
Assistant General Manager Scaglione  
Legal Counsel Scott  
Director of Engineering & Operations Gerdes  
Finance Manager Fusco  
Administrative Services Manager Taylor  
Principal Engineer Gumpel  
Capital Facilities Engineer Scholl  
Water Operations Supervisor Pedrazzi  
Risk Management Supervisor Janus  
Information Technology Supervisor Fisher  
Computer Technician Todd  
Public Information/Conservation Supervisor Urabe  
Public Information Representative Webb  
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF DECEMBER 19, 2012

12-12-10 MOTION WAS MADE by Director Ferguson, seconded by Director Poltl, and carried unanimously, to adopt the agenda for the Regular Board Meeting of December 19, 2012.

BOARD REORGANIZATION

Director Hernandez asked the Board to consider one motion be made to consider to elect the President of the Board – Jim Hernandez, elect the Vice President of the Board – Margaret E. Ferguson, and to approve the officers, committee members and

representatives, as well as the proposed Board Committee meeting dates that have been recommended as presented in the Board agenda packet.

12-12-11 MOTION WAS MADE by Director Ferguson and seconded by Director Poltl to approve the officers, committee members and representatives, and the proposed Board Committee meeting dates as presented.

Director Martin asked if No. 3 of the recommendation, Approve Officers, Committee members and Representatives, could be voted on separately from No.'s 1 and 2 of the recommendation, stating he would like discussion on the Committee appointments.

Based on the request, Director Ferguson agreed to amending her motion to allow for one motion for No.'s 1 and 2 of the recommendation and a second motion for No. 3 of the recommendation.

12-12-12 MOTION WAS MADE by Director Martin, seconded by Director Ferguson, and carried unanimously, to elect Director Hernandez President of the Board of Directors and to elect Director Ferguson Vice President of the Board.

General discussion took place in which Director Martin requested clarification on the current appointment to the San Diego County Water Authority (SDCWA) and the ratio of elected officials and General Managers on the SDCWA Board. General Manager Lamb explained that there were currently 6-8 General Managers on the Board; the San Diego 10 were all appointed positions; 3 to 5 cities that came to mind also had appointed representatives. Also discussed were the benefits of elected official vs. staff being appointed to the SDCWA Board. Directors Martin and Evans expressed their opinion that a policy person should be appointed rather than a staff person. Director Evans expressed interest in serving on the SDCWA Board with the attendance of a staff person as well. General Manager Lamb explained that Board members at the SDCWA do not have support with them when in Board meetings and they act in the same way our Board does. Staff presents items on the agenda for discussion and action by the Board.

12-12-13 MOTION WAS MADE by Director Martin, seconded by Director Evans, to accept recommendation No. 3 with the change to appoint Betty Evans the representative for the San Diego County Water Authority.

General discussion continued in which General Manager Lamb explained that the SDCWA structure does not allow an alternate or delegate at the Board meetings. They do allow a proxy, however, the proxy is another voting member. He could attend the meeting in general, however, he would not be able to participate or have the ability to get involved in the Board meeting. Based on this information, Director Evans declined at this time.

President Hernandez called for a roll call vote for the motion on the floor.

The roll call vote was as follows:

AYES: Martin  
NOES: Evans, Ferguson, Hernandez, Poltl  
ABSENT:  
ABSTAIN:

President Hernandez called for a motion to approve the officers and committee members as originally presented.

12-12-14 MOTION WAS MADE by Director Ferguson, seconded by Director Poltl, and carried unanimously, to approve the officers and committee members as originally presented.

**OFFICERS**

PRESIDENT	Jim Hernandez
VICE PRESIDENT	Margaret E. Ferguson
SECRETARY	Dennis O. Lamb
ASSISTANT SECRETARY	Rhondi Emmanuel
TREASURER	Tom Scaglione
ASSISTANT TREASURER	Dennis O. Lamb

**COMMITTEES**

ENGINEERING/EQUIPMENT	Margaret E. Ferguson (C), Jim Poltl
FINANCE/INVESTMENT	Hal Martin (C), Betty Evans
LEGAL/LEGISLATIVE AFFAIRS	Margaret E. Ferguson (C), Jim Poltl
PUBLIC AWARENESS/PERSONNEL/POLICY	Jim Poltl (C), Jim Hernandez
AD HOC	Will be assigned on as needed basis (C) = Chairperson

**REPRESENTATIVES**

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) FINANCE COMMITTEE	Vice Chair: Tom Scaglione
ASSOCIATION OF CALIFORNIA WATER AGENCIES GROUND WATER COMMITTEE	Member: Jim Hernandez
ACWA REGION 10 BOARD	Finance Liaison: Tom Scaglione
ACWA/JPIA	Delegate: Betty Evans Alternate: Hal Martin Finance & Audit Committee: Tom Scaglione, Vice Chair

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CALIFORNIA ASSOCIATION OF SANITATION AGENCIES (CASA) – LEGISLATIVE COMMITTEE	Delegate:	Jim Poltl
	Alternate:	Betty Evans
ENCINA WASTEWATER AUTHORITY JOINT ADVISORY COMMITTEE (EWA)	Delegates:	Jim Hernandez & Jim Poltl
	Alternate:	Tom Scaglione
LAFCO – SPECIAL DISTRICT ADVISORY COMMITTEE	Delegate:	Betty Evans
SAN DIEGO COUNTY WATER AUTHORITY (SDCWA)	Delegate:	Dennis O. Lamb (term expires 3/13/16)

### ORAL COMMUNICATIONS

None.

### CONSENT CALENDAR

- 12-12-10 MOTION WAS MADE by Director Ferguson, seconded by Director Hernandez, and carried to approve the Consent Calendar as presented, with Director Evans abstaining and Director Martin abstaining on item 2.1.
- 2.1 Approval of Minutes
- A. Regular Board Meeting – December 5, 2012
- 2.2 Warrant List through December 19, 2012 - \$663,975.47
- 2.3 Financial Reports
- A. Water Meter Count – November 30, 2012
- B. Water Production/Sales Report – 2012/2013
- C. Water Revenue and Expense Report – November 30, 2012
- D. Sewer Revenue and Expense Report – November 30, 2012
- E. Reserve Funds Activity – November 30, 2012
- F. Investment Report – November, 2012
- 2.4 Final Acceptance for Candra – San Marcos Tract No. 479 Water and Sewer Improvements (Tri Pointe, LLC)

### ACTION ITEMS

#### LIFT STATION NO. 1 PUMP IMPROVEMENTS PROJECT APPROVAL

Principal Engineer Gumpel stated that the Meadowlark Reclamation Facility (MRF) produces up to 5 million gallons of recycled water per day. Currently, the District does not have the ability to bring 5 million gallons of sewer to MRF. The District has an existing contract with Olivenhain Municipal Water District (OMWD) and the Carlsbad



Municipal Water District for recycled water deliver from MRF. OMWD has agreed to purchase 3 million gallons per day (MGD) of recycled water during non-winter months, and OMWD has agreed to purchase 1.5 MGD, provided that recycled water is available.

This improvement project will upgrade electrical package, improve the lift station's discharge pipeline header to reduce head loss, and install a new 1,900 gallon per minute pump to increase the lifts station's pumping capacity to 3,100 gallons per minute, or 3.4 MGD. Combined with the other wastewater sources, MRF would then receive approximately 4.8 MGD of wastewater flow and produce approximately 4.4 MGD of recycled water, which would maximize VWD's contractual deliveries.

Principal Engineer Gumpel stated that the North San Diego County Regional Recycled Water Project (NSDCRRWP), of which the District is a member, has applied for Proposition 84 grant funding to help support the construction of recycled water projects in north San Diego County. The Lift Station No. 1 pump improvements were included in the grant application. The grant was approved in the amount of \$3.4 million, of which \$338,000 is available to the District for construction of the Lift Station No. 1 pump improvements. Approximately 60% of the total of the capital improvement project, which is \$534,000.00, will be reimbursed through the grant funding itself, with the remaining \$195,800.00 in the budget to be recovered through recycled water rates as the recycled water is sold to the City of Carlsbad and OMWD.

General discussion followed in which Directors Martin and Hernandez inquired on the process once the request were to be approved, the use of as-needed contracted consultants, the competitive bid process, the frequency in which staff initiates the competitive bid process, which portions of this project will be conducted in-house, and if the lowest competitive bid is always selected.

Principal Engineer Gumpel responded that as-needed contracted consultants are utilized on small to medium sized projects to assist in speeding up the process with the timing; the competitive proposal process is conducted every two years; the design will not be completed in-house, however, it will be managed in-house; construction management will be done in-house; the most responsive, responsible bidder is selected.

12-12-15 MOTION WAS MADE by Director Ferguson, seconded by Director Martin, and carried unanimously, to approve the improvements and authorize a budget amount of \$534,000.00.

## REPORTS

### GENERAL MANAGER

General Manager Lamb stated that the bonds were sold this past week for the desalination project. Both bonds went tax exempt, with one being a private activity bond issue. The rate received came in 125 basis points less than projected (5.9-6.5%).

It is projected this will lower the cost by approximately \$120 - \$125 an acre foot, which is very favorable to the District. Staff hopes to actually reduce this amount by another \$100-\$150 an acre foot. All other contracts have been signed for the design build. Negotiations will begin on the cost of service study at the SDCWA in January and will take approximately six months.

#### DISTRICT COUNSEL

Legal Counsel Scott stated that in follow-up to Mr. Gumpel's comments, VWD, like charter cities, does not have to follow the competitive bid statutes. The District does like to go through the competitive bid process because it is felt that the lowest and most responsible bids are received. However, it is always qualified with the statement that we reserve our rights not to award to the lowest bidder, per se. However, all public agencies that do public works projects have to pay prevailing wages. All contract documents state that contractors are required to pay prevailing wages.

#### SAN DIEGO COUNTY WATER AUTHORITY

General Manager Lamb stated there is no other information at this time other than his report on the desalination project.

#### ENCINA WASTEWATER AUTHORITY

Director Poltl reported on the December 12 Board meeting.

The next Policy and Finance Committee meeting will be held on January 8 and the next Capital Improvement Committee meeting will be held on January 16.

#### ACWA REGION 10

General Manager Lamb stated that this position is an ACWA appointed position. An election process will take place in the future to fill the seat that has been vacated.

#### LAFCO

President Hernandez stated that the next Advisory Committee Meeting will be held on January 18 and will be held at the County Administration building.

#### DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

President Hernandez noted that written reports were provided electronically. The reports are on file.

OTHER BUSINESS

None.

CLOSED SESSION

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95  
LIABILITY CLAIM – CLAIMANT:

Bruce Friedberg

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a)  
CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION (ONE CASE)

12-12-16 MOTION WAS MADE by Director Ferguson, seconded by Director Poltl,  
and carried unanimously, to move into Closed Session pursuant to  
Government Code Sections 54956.95 and 54956.9(a).

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at the hour of 4:55 p.m. The Board, in Closed Session, directed the General Manager deny the liability claim and to take appropriate action concerning the pending litigation.

ADJOURNMENT

There being no further business to discuss, President Hernandez adjourned the Regular Meeting of the Board of Directors at the hour of 4:56 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, January 2, 2013, at 4:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

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James Hernandez, President  
Board of Directors  
Vallecitos Water District

ATTEST:

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Dennis O. Lamb, Secretary  
Board of Directors  
Vallecitos Water District