AGENDA FOR A COMMITTEE MEETING OF THE WHOLE
SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
MONDAY, MAY 14, 2012, AT 7:30 A.M.
AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT GENTRY

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.

DISCUSSION/ACTION ITEMS

1. SOUTHLAKE PARK PROJECT UPDATE (pp. 1 - 6)

2. FY 2012/2013 BUDGET PRESENTATION

3. STRATEGIC PLAN UPDATE

4. LINDA VISTA EAST SEWER PROJECT - MITIGATED NEGATIVE DECLARATION (pp. 7 - 12)

5. REVOCABLE LICENSE AGREEMENT WITH UNAVCO, INC. FOR THE INSTALLATION, USE, MAINTENANCE AND REPAIR OF A GLOBAL POSITIONING SERVICE MONUMENT (pp. 13 - 44)

6. LATENT POWERS (pp. 45 – 48)

7. REIMBURSEMENT (PAYBACK) POLICY (pp. 49 – 70)

8. REVIEW OF ORDINANCE NO. 170, BUSINESS OF THE BOARD (pp. 71 – 82)

*****END OF DISCUSSION/ACTION ITEMS*****

OTHER BUSINESS

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

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 1:00 p.m., Thursday, May 10, 2012.

Diane Posvar
MINUTES OF A COMMITTEE MEETING OF THE WHOLE
SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
MONDAY, MAY 14, 2012, AT 7:30 AM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Gentry called the Committee meeting to order at the hour of 7:30 a.m.

Present: Director Ferguson
         Director Gentry
         Director Hernandez
         Director Polli
         Director Shell

Staff Present: General Manager Lamb
              Assistant General Manager Scaglione
              Legal Counsel Scott
              Director of Engineering & Operations Gerdes
              Administrative Services Manager Taylor
              Principal Engineer Gumpel
              Capital Facilities Engineer Scholl
              Information/Conservation Supervisor Urabe
              Water Operations Supervisor Pedrazzi
              Executive Secretary Posvar

Others Present: Craig Sargent-Beach, Community Services Director, City of San Marcos
               Kareem Elhams, Senior Civil Engineer, City of San Marcos
               Maryam Babaki, Deputy City Engineer, City of San Marcos

ORAL COMMUNICATIONS

None.

COMMITTEE ITEMS

Director Hernandez requested that agenda item 7 be postponed to the June Board Committee meeting. He had a time constraint for this Committee meeting and needed to leave at a specific time. The Board Committee consensus was to postpone this item to the June meeting.

SOUTH LAKE PARK PROJECT UPDATE

Director of Engineering & Operations Gerdes stated that in 2005 the District and the City of San Marcos entered into a lease agreement for development of the area around South Lake into a park. A few updates have taken place since then and more recently discussions have taken place with the City and the District. The Hanson quarry is entering into development plans for the area and the school district has had discussions regarding a new school in the area. He reviewed the changes to the plan which included the parking area and caretaker's residence. The changes are also more trail friendly.
The City Manager sent a letter to the District last month initially asking for an extension of the lease to 2014. City staff verbally requested an extension to December 31, 2015.

General Manager Lamb stated that he will request a new letter from the City Manager which states the revised extension date of 2015.

The Board Committee consensus was to recommend this item to the full Board for consideration and approval.

President Gentry suggested for future consideration the feasibility of adding a water conservation center for the group area of the project. This would be a passive use center.

Director Ferguson stated that she would like to ensure that staff work with the City on the possibility of this so as not to interrupt the City’s plans on this project.

Mr. Sargent-Beach stated that this would be a good joint project and an excellent addition.

**FY 2012/2013 BUDGET PRESENTATION**

Assistant General Manager Scaglione presented an overview of the proposed FY 2012/2013 budget. The budget theme this year is the strategic plan. The budget review included:

- The proposed budget totals $114,225,000 compared to $99,424,000 from last year and the difference is comprised of capital and water purchases.
- The proposed operating budget is $43,113,000 compared to $38,898,000 last year; when water purchases are removed there is no increase to the operating budget. Water purchases increased by $4.2 million.
- The proposed capital budget is $71,112,000 compared to $60,526,000 last year – most of this is due to new requests that tie into the Master Plan.
- The proposed budgeted transfer to reserves is $9,296,000 compared to $5,892,000 last year.
- Current and projected meters in service.
- SBX7 20% by 2020 tracking – actual and projected.
- Current and projected water sales in acre feet.
- Current and projected rate per unit.
- Tier premium revenue and costs.
- Historic and projected water demand, ready-to-serve charges and Tier water rates.
- Current and projected wholesale water costs per acre feet.
- Fixed costs.
- The proposed water operations budget is $35,728,000 and the proposed sewer operations budget is $16,681,000.
- Active sewer account additions and monthly sewer rate for single family residence.
- Distribution of expenses and expense relationship without water.
- Budgeted and projected full time employees.
Minutes of a Committee Meeting of the Whole
Special Board Meeting of the Board of the Directors of the Vallecitos Water District
May 14, 2012

- Capital budget new requests.
- Current and projected replacement reserve transfer, EDU trend/projection, amortization of outstanding debt, debt service coverage and days of operating expenses in cash.
- Debt service budget for the year ending June 30, 2013.

One hundred percent of the operational increase is attributable to higher water demand projections and increased wholesale rates. In addition, $9,296,000 is being set aside for capital replacement and debt service payments.

The budget includes rate increases adopted on July 20, 2011. At the time of adoption, staff estimated 2013 wholesale increase per unit to be 13¢ per unit. On May 3, 2012, the District’s wholesaler, the San Diego County Water Authority, provided the District with an estimated proposed 2013 rate increase of 24¢ which is reflected in this budget.

The Board committee consensus was to recommend the proposed FY 2012/2013 budget to the full Board for consideration and approval.

STRATEGIC PLAN UPDATE

General Manager Lamb stated that the Strategic Plan format has been revised to make the Strategic Plan for the District an adopted “document”. The Strategic Plan is a collaborative effort between the Board of Directors, management and staff and will serve as a core document to guide the District’s efforts to meet and positively adapt to change. The Mission Statement was verified and staff explored the possibility of changing the District’s logo on all of the District trucks. Staff has determined that it will be too costly to change the logo; will address this through general attrition. General Manager Lamb reviewed the document and general discussion took place.

General Manager Lamb stated that a separate Goals and Objectives document has been created. The Goals and Objectives will serve as a business plan for the District and compliment the Strategic Focus Areas of the Strategic Plan. This document will identify how the Strategic Plan is being implemented and will be brought before the Board on an annual basis concurrent with the budget and used for quarterly Board updates. General discussion followed.

This item was provided for information.

LINDA VISTA EAST SEWER PROJECT – MITIGATED NEGATIVE DECLARATION

Capital Facilities Engineer Scholl stated that the Board authorized the 30 day review of the Draft Mitigated Negative Declaration (MND) on Feb. 15, 2012. The review period concluded in April and five comment letters were submitted. Most of the letters were the standard letters that are typically received from agencies. One letter of note was from the State Department of Toxic Substances Control (DTSC) to add an additional mitigation measure to the final MND
Minutes of a Committee Meeting of the Whole
Special Board Meeting of the Board of the Directors of the Vallecitos Water District
May 14, 2012

that will explain how hazardous materials would be handled if they were encountered. Staff
sent response letters to the agencies noting comments. The MND was finalized and a
resolution has been prepared for certifying the final MND as complete and adequate.

Staff requested that the Board Committee recommend this item be forwarded to the full
Board for adoption of the resolution certifying the MND for the Linda Vista East Sewer Project
as complete and adequate. The recommendation also includes filing the Notice of
Determination with the County Clerk within 5 days.

Director Ferguson requested that staff provide the Board with a copy of the comment letters
submitted by the agencies as well as the response letters.

Director Gentry requested the following additions/modifications to the MND: 1) add a
description of compliance with AB32 and the County Climate Action Plan relative to air quality
conformance; 2) relative to sensitive receptors to pollutants, the Country School at Linda
Vista was identified. This school is comprised of special needs children who have a number
of issues including some severe health conditions. They are extremely sensitive to pollutants
and air contaminants. He suggested that contact with the school be made directly to ensure
there are no concerns. He further requested that a comment be added to the MND stating
that no written comments were received from the Country school; 3) in support of Section 4,
List of Information Sources, have the consultant identify whether or not they consulted the
County Climate Action Plan and any other materials related to AB32. He further suggested
that they may also want to review the City’s recently approved General Plan.

The Board Committee consensus was to recommend this item to the full Board for
consideration and adoption of the resolution with the requested additions/modifications to the
MND.

REVOCABLE LICENSE AGREEMENT WITH UNAVCO, INC. FOR THE INSTALLATION,
USE, MAINTENANCE AND REPAIR OF A GLOBAL POSITIONING SERVICE MONUMENT

Capital Facilities Engineer Scholl stated that the Board Committee previously requested
additional information on UNAVCO, Inc. as well as CEQA Compliance and having language
in the agreement that indicates how they are going to address CEQA. Language was added
into the agreement regarding CEQA exemption under Sec 15030 regarding Public Data
Gathering. If for some reason UNAVCO does not qualify under this exemption, they would
be responsible for actual compliance measures so that they do not create any impacts.
UNAVCO will be using hand tools only, will be walking into the site, going into a disturbed
area and will not impact existing habitat. Installation technique, materials and tools they plan
on using have also been included in the agreement as an exhibit. Staff also requested more
info from UNAVCO regarding the plate boundary observatory which was provided in the
agenda packet.

The Board Committee consensus was to recommend this item to the full Board for
consideration and approval.
LATENT POWERS

Legal Counsel Scott stated that at last month’s meeting, the issue of latent powers was raised in regard to the District’s ability to engage in the real estate business. County water districts are special districts in the nature of special districts of limited power. While the District has broad power to purchase, condemn, or lease real property, it can only be done in the context of carrying out a specific business of the District. It would not be appropriate for the District to be engaged in buying, selling, or leasing real property unless it is related to the provision of water, sewer, or reclamation services.

Legal Counsel Scott further stated that the Local Agency Formation Commission (LAFCO) is the governing body in which the District would need to apply to and receive approval from before expanding a new service. The District is currently authorized to provide water, sewer and reclamation services. A vote of the residents of the District is not required in order to exercise any of the additional latent powers identified on the list provided in the staff report, however, the District would need to petition LAFCO and adopt a resolution of application. The petition would need to include a plan of services which, among other items, would identify who is currently providing the service, how that service would be effectuated, the total costs of providing the new service, a financing plan, and any alternatives to the new service.

This item was provided for information only.

REVIEW OF ORDINANCE NO. 170, BUSINESS OF THE BOARD

General Manager Lamb stated that Ordinance No. 170 established the business guidelines the Board operates under, including meeting attendance and per diems. Over the past year there have been several general discussions regarding various memberships approved for attendance, sponsorship of miscellaneous community events, Director per diem rate, and payment of full/reduced per diem at short meetings.

General discussion took place on authorized District memberships as outlined in Ordinance 170. Specific discussion also took place on the membership with the San Marcos Chamber of Commerce and the District’s sponsorship of the “sundowner” through the San Marcos Chamber. The Board Committee directed staff to explore additional options for public outreach that could serve to replace the District’s sponsorship of a “sundowner” for the San Marcos Chamber of Commerce and to consider options to restructure the sundowner to allow for better public outreach should the sponsorship of the sundowner continue.

Director Hernandez suggested adding the North County Economic Development Corporation to the membership list. This group is looking to do what LAFCO has not been doing for the north county – recognizing that north county is an economic force. General discussion took place.
Minutes of a Committee Meeting of the Whole
Special Board Meeting of the Board of the Directors of the Vallecitos Water District
May 14, 2012

General Manager Lamb stated that a Director’s per diem survey was conducted in April of this year. The average per diem is $150 and the median per diem is $145.

General Manager Lamb stated that some agencies are instituting a reduced per diem rate for events/meetings that are short and/or consist of general topics of discussion that may or may not directly relate to District business. General discussion took place.

The Board Committee consensus was to 1) remove the California Chamber of Commerce, San Diego County Water Works Group, San Marcos Economic Development Corporation, from the list of authorized memberships; 2) not to add the North County Economic Development Corporation to the membership list; 3) not increase the current Director per diem of $150; 4) not to institute a reduced per diem for short meetings; 5) continue to require Board approval for per diem for Director attendance at events associated with agencies/groups not on the approved membership list; 6) add verbiage that attendance to City of San Marcos Chamber events require specific Board authorization for per diem.

Director Hernandez left the meeting at 10:09 am.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to discuss, President Gentry adjourned the Board Committee meeting at the hour of 10:10 a.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, May 16, 2012, at 4:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

Darrell Gentry, President
Board of Directors
Vallecitos Water District

ATTEST:

Dennis Lamb, Secretary
Board of Directors
Vallecitos Water District