AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, NOVEMBER 16, 2011 AT 4:00 P.M.
AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT POLTL

PLEDGE OF ALLEGIANCE – DIRECTOR HERNANDEZ

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 NOVEMBER 16, 2011

INTRODUCTION

Human Resources Technician will introduce new employee – Sally Sheets, Accounting
Technician.

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

1.1 APPROVAL OF MINUTES

A. REGULAR BOARD MEETING – NOVEMBER 2, 2011
B. COMMITTEE MEETING OF THE WHOLE SPECIAL BOARD MEETING –
   NOVEMBER 7, 2011

Approved minutes become a permanent public record of the District.
Agenda for the Regular Meeting of the Board of Directors
November 16, 2011

Recommendation: Approve Minutes

1.2 WARRANT LIST THROUGH NOVEMBER 16, 2011 - $3,566,097.51

Recommendation: Approve Warrant List

1.3 FINANCIAL REPORTS
A. WATER METER COUNT – OCTOBER 31, 2011
B. WATER PRODUCTION/SALES REPORT – 2010/2011
C. WATER REVENUE AND EXPENSE REPORT – OCTOBER 31, 2011
D. SEWER REVENUE AND EXPENSE REPORT – OCTOBER 31, 2011
E. RESERVE FUNDS ACTIVITY – OCTOBER 31, 2011
F. INVESTMENT REPORT – OCTOBER 2011

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

ACTION ITEMS

2.1 FISCAL YEAR 2010/11 ANNUAL AUDIT REPORT
(Final draft report provided under separate cover)

*Annual audited financial statements for Fiscal Year ended June 30, 2011.*

Recommendation: Accept the Fiscal Year 2010/11 Annual Audit Report

2.2 APPROVAL OF CONSTRUCTION AGREEMENT FOR WESTLAKE VILLAGE
(NATIONAL COMMUNITY RENAISSANCE)

*The project is located on Autumn Drive east of Knoll Road and west of Tiger Way.*

Recommendation: Approve Construction Agreement

2.3 APPROVAL OF CONSTRUCTION AGREEMENT FOR CANDERA – SAN
MARCOS TRACT NO. 479 WATER AND SEWER IMPROVEMENTS (TRI
POINTE, LLC)

*The project is located on Bougher Road, north of Mission Road and bounded by
Woodland Parkway.*

Recommendation: Approve Construction Agreement

*****END OF ACTION ITEMS*****
REPORTS

3.1 GENERAL MANAGER

3.2 DISTRICT LEGAL COUNSEL

3.3 SAN DIEGO COUNTY WATER AUTHORITY

3.4 ENCINA WASTEWATER AUTHORITY

3.5 ACWA/REGION 10

3.6 LAFCO

3.7 DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

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

OTHER BUSINESS

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

CLOSED SESSION

4.1 CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (ONE CASE)
Crosser v. Vallecitos Water District
San Bernardino Superior Court Case No. CIVSS 707286

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

5.1 ADJOURNMENT

*****END OF AGENDA*****
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., Thursday, November 10, 2011.

Diane Posvar
MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, NOVEMBER 16, 2011, AT 4:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Poltl called the Regular meeting to order at the hour of 4:00 p.m.

Director Hernandez led the pledge of allegiance.

Present: Director Ferguson
         Director Gentry
         Director Hernandez
         Director Shell
         Director Poltl

Staff Present: General Manager Lamb
               Finance Manager Scaglione
               Legal Counsel Scott
               Legal Counsel Jackson
               Administrative Services Manager Caudle
               District Engineer Gerdes
               Principal Engineer Gumpel
               Public Information/Conservation Supervisor Urabe
               Public Information Specialist Webb
               Human Resources Technician Weaver
               Executive Secretary Posvar

Others Present: David Forman, White Nelson Diehl Evans, LLP

ADOPT AGENDA FOR THE REGULAR MEETING OF NOVEMBER 16, 2011

11-11-05 MOTION WAS MADE by Director Gentry, seconded by Director Shell, and carried unanimously, to adopt the agenda for the Regular Board Meeting of November 16, 2011.

INTRODUCTION

Human Resources Technician Weaver introduced new employee Sally Sheets, Accounting Technician.

ORAL COMMUNICATIONS

None.
CONSENT CALENDAR

11-11-06 MOTION WAS MADE by Director Shell, seconded by Director Ferguson, and carried unanimously, with Director Hernandez abstaining on the November 2 Board Meeting minutes, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

A. Regular Board Meeting – November 2, 2011
B. Committee meeting of the Whole Special Board Meeting – November 7, 2011

1.2 Warrant List through November 16, 2011 - $3,566,097.51

1.3 Financial Reports

A. Water Meter Count – October 31, 2011
C. Water Revenue And Expense Report – October 31, 2011
D. Sewer Revenue And Expense Report – October 31, 2011
E. Reserve Funds Activity – October 31, 2011
F. Investment Report – October 2011

ACTION ITEMS

FISCAL YEAR 2010/11 ANNUAL AUDIT REPORT

General Manager Lamb stated that the draft report was presented in detail and discussed at the November 7 Board Committee meeting. He further stated that there was one minor change since the November 7 presentation. He then introduced David Forman, White Nelson Diehl Evans, LLP.

Mr. Forman provided a brief summary of the opinion letter and stated that a clean opinion was given, there were no issues found. The minor change made is basically a presentation issue, whereas before, the opinion letter stated that they audited the June 2011 and 2010 year. This is true, however, they felt it was better to show that they audited just the June 2011 year, but that they are actually presenting the June 2010 numbers just as a comparison. Other than this, there were no other changes.

Mr. Forman thanked staff for their diligence and efforts in ensuring numbers provided to the auditors were correct.

11-11-07 MOTION WAS MADE by Director Hernandez, seconded by Director Gentry, and carried unanimously, to accept and file the annual Audit Report.
APPROVAL OF CONSTRUCTION AGREEMENT FOR WESTLAKE VILLAGE (NATIONAL COMMUNITY RENAISSANCE)

General Manager Lamb stated that the project is located on Autumn Drive east of Knoll Road and west of Tiger Way. The project will construct approximately 1,215 feet of 8-inch diameter PVC water main and approximately 1,306 feet of 8-inch diameter PVC sewer main and appurtenances. All current fees have been paid in accordance with District policy. The owner has submitted standard surety bonds to guarantee completion of the project.

Staff recommended approval of the construction agreement.

11-11-08  MOTION WAS MADE by Director Ferguson, seconded by Director Shell, and carried unanimously, to approve the construction agreement.

APPROVAL OF CONSTRUCTION AGREEMENT FOR CANDERA – SAN MARCOS TRACT NO. 479 WATER AND SEWER IMPROVEMENTS (TRI POINTE, LLC)

General Manager Lamb stated that the project is located on Bougher Road, north of Mission Road and bounded by Woodland Parkway. The project will construct approximately 1,200 feet of 8-inch water main, looping existing mains in the intersection of Bougher Road and a private road with the existing main in Woodland Parkway. Also included is the construction of approximately 800 feet of 8-inch sewer main. All plan check and inspection fees have been paid in accordance with District policy and Resolution No. 1343 relating to the timing of collection of capital facility fees.

Staff recommended approval of the construction agreement.

11-11-09  MOTION WAS MADE by Director Gentry, seconded by Director Shell, and carried unanimously, to approve the construction agreement.

REPORTS

GENERAL MANAGER

General Manager Lamb stated that at the next Board meeting he will be providing updates on several different projects that have seen some changes over the past couple of months. In addition, Kevin Hardy, EWA General Manager, will be in attendance to provide presentations on the outfall inspection and the South Parcel status.

General Manager Lamb stated that he gave a presentation on the North San Diego County Recycled Water Group project at the SDCWA yesterday.
DISTRIBUTION COUNSEL

None.

SAN DIEGO COUNTY WATER AUTHORITY

Director Ferguson stated that the next Board meeting will be held on December 8.

ENCINA WASTEWATER AUTHORITY

Director Gentry stated that he attended the CIC meeting this morning at which a few bid advertisements were approved for release.

President Poltl stated that the South Parcel has been brought back into focus which is why he recommended EWA staff make a presentation to the VWD Board. He also stated that Mark Muir is a new member of the Board representing the City of Encinitas.

ACWA REGION 10

Director Gentry stated that he will begin training tomorrow for incoming officers and will be there as the incoming President.

LAFCO

President Poltl stated that the meeting was postponed.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

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

OTHER BUSINESS

None.

CLOSED SESSION

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a)
CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (ONE CASE)
Crosser v. Vallecitos Water District
San Bernardino Superior Court Case No. CIVSS 707286

11-11-10  MOTION WAS MADE by Director Ferguson, seconded by Director Shell, and carried unanimously, to move into Closed Session pursuant to Government Code Section 54956.9(a) – Conference with Legal Counsel.
REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at the hour of 4:33 p.m. The Board, in Closed Session, directed Legal Counsel to take appropriate action concerning the existing litigation matter.

ADJOURNMENT

There being no further business to discuss, President Poltl adjourned the Regular Meeting of the Board of Directors at the hour of 4:34 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, December 7, 2011, at 4:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

James W. Poltl, President
Board of Directors
Vallecitos Water District

ATTEST:

Dennis O. Lamb, General Manager
Board of Directors
Vallecitos Water District