AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, DECEMBER 7, 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 – PRESIDENT POLTL

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 7, 2011

1.1 BOARD REORGANIZATION

It is anticipated that Director Gentry will begin his duties as Board President and Director Shell will begin his duties as Vice President for the calendar year 2012. Director Gentry 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

PRESENTATIONS

Kevin Hardy, Encina Wastewater Authority General Manager, will provide a presentation on the Outfall inspection as well as a presentation on the South Parcel.

General Manager Lamb will provide a presentation on the North San Diego County Regional Recycled Water Project update.

Principal Engineer Gumpel will provide a presentation on the ECMARS Project update.
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 – NOVEMBER 16, 2011

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

2.2 WARRANT LIST THROUGH DECEMBER 7, 2011 - $4,398,384.05

Recommendation: Approve Warrant List

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

ACTION ITEMS

3.1 RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT DESIGNATING THE DISTRICT REPRESENTATIVE, DENNIS O. LAMB, AS A MEMBER OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY WATER AUTHORITY

Recommendation: Approve Resolution

3.2 RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT APPOINTING TOM SCAGLIONE AS AN ALTERNATE REPRESENTATIVE TO THE BOARD OF DIRECTORS OF THE ENCINA WASTEWATER AUTHORITY

Recommendation: Approve Resolution

3.3 REQUEST FOR WATER AND SEWER ANNEXATION INTO THE VALLECITOS WATER DISTRICT AND SEWER IMPROVEMENT DISTRICTS 1, 2, 5 & 6 FOR WATER AND SEWER SERVICE – APN: 218-071-17 (CRUZ)
The property is located at the southwest intersection of Mulberry Drive and Woodward Street.

Recommendation: Approve annexation with conditions

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

REPORTS

4.1 GENERAL MANAGER

4.2 DISTRICT LEGAL COUNSEL

4.3 SAN DIEGO COUNTY WATER AUTHORITY

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

CSDA How to be an Effective Board Member
January 12, 2012 – Marion V. Ashley Community Center, Menifee, CA

Urban Water Institute’s Spring Water Conference
February 9 - 10, 2012 – Hilton Hotel, Palm Springs, CA

WEF 2012 Water Tours
March 14 - 16, 2012 – Lower Colorado River Tour
April 11 - 13, 2012 – Central Valley Tour
May 24 - 25, 2012 – Flood Management Tour
June 13 - 15, 2012 – Bay-Delta Tour
October 17 - 19, 2012 – Northern California Tour

*****END OF OTHER BUSINESS*****
CLOSED SESSION

6.1 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*****

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 2, 2011.

Diane Posvar
MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, DECEMBER 7, 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.

President Poltl led the pledge of allegiance.

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

Staff Present: General Manager Lamb
Legal Counsel Scott
Finance Manager Scaglione
Administrative Services Manager Caudle
District Engineer Gerdes
Operations & Maintenance Manager Arrant
Principal Engineer Gumpel
Public Information/Conservation Supervisor Urabe
Public Information Specialist Webb
Public Information Specialist Yerman
Executive Secretary Posvar

Others Present: Kevin Hardy, General Manager, EWA
Mike Steinlicht, Assistant General Manager, EWA

ADOPT AGENDA FOR THE REGULAR MEETING OF DECEMBER 7, 2011

11-12-01 MOTION WAS MADE by Director Ferguson, seconded by Director Gentry, and
carried unanimously, to adopt the agenda for the Regular Board Meeting of
December 7, 2011.

BOARD REORGANIZATION

President Poltl asked the Board to consider one motion to be made to consider to elect the
President of the Board – Darrell Gentry, elect the Vice President of the Board – Tim Shell,
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.

11-12-02 MOTION WAS MADE by Director Ferguson, seconded by Director Hernandez,
and carried unanimously, to elect Darrell Gentry President of the Board of
Directors, to elect Director Shell Vice President of the Board of Directors, and to
approve the officers, committee members and representatives, as well as the
proposed Board Committee meeting dates for the calendar year 2012, as
presented.
OFFICERS
PRESIDENT
VICE PRESIDENT
SECRETARY
ASSISTANT SECRETARY
TREASURER
ASSISTANT TREASURER

Darrell Gentry
Tim Shell
Dennis O. Lamb
Leonard Caudle
Tom Scaglione
Dennis O. Lamb

COMMITTEES
ENGINEERING/EQUIPMENT
FINANCE/INVESTMENT
LEGAL/LEGISLATIVE AFFAIRS
PUBLIC AWARENESS/PERSONNEL/POLICY
AD HOC

Margaret E. Ferguson (C), Jim Pottl
Darrell Gentry (C), Tim Shell
Margaret E. Ferguson (C), Jim Pottl
Jim Pottl (C), Jim Hernandez
Will be assigned on as needed basis
(C) = Chairperson

REPRESENTATIVES
ASSOCIATION OF CALIFORNIA WATER AGENCIES
(ACWA) FINANCE COMMITTEE

Vice Chair: Tom Scaglione

Member: Jim Hernandez
(nominated*)

Member: Darrell Gentry
(nominated*)

Member: Darrell Gentry
(nominated*)

ACWA REGION 10 BOARD

Delegate: Darrell Gentry, Chair
Finance Liaison: Tom Scaglione

ACWA/JPIA

Delegate: Tim Shell
Alternate: Darrell Gentry
Finance & Audit Committee:
Tom Scaglione, Vice Chair

CALIFORNIA ASSOCIATION OF SANITATION
AGENCIES (CASA) – LEGISLATIVE COMMITTEE
ENCINA WASTEWATER AUTHORITY
JOINT ADVISORY COMMITTEE (EWA)

Delegate: Jim Pottl
Alternate: Tim Shell
Delegates: Darrell Gentry & Jim Pottl
Alternate: Tom Scaglione

LAFCO – SPECIAL DISTRICT ADVISORY COMMITTEE

Delegate: Jim Hernandez

SAN DIEGO COUNTY WATER AUTHORITY (SDCWA)

Delegate: Dennis O. Lamb
(term expires 3/13/16)

*Committee selections not yet announced
PRESENTATIONS

Kevin Hardy, General Manager of Encina Wastewater Authority (EWA), provided a presentation on the Outfall inspection as well as a presentation on the South Parcel: Past, Present & Future. EWA's Capital Improvement Committee (CIC) has held workshops on the South Parcel to discuss the site and entitlement, define the use, development options, and business plan parameters. No uses for the land have been categorically eliminated at this time. Should EWA be willing to agree to a 99 year lease, more value for the land will be achieved; this option has not been ruled out at this time. EWA staff will coordinate business planning efforts with the City of Carlsbad staff as necessary and appropriate; will work through the CIC to complete the draft South Parcel Business Plan; will present the draft South Parcel Business Plan to the Board of Directors with specific “next step” recommendations.

The North San Diego County Regional Recycled Water Project presentation was continued to the December 21, 2011 Board meeting.

Principal Engineer Gumpel provided a presentation on the ECMARS Project update which included several alternatives relative to the project as well as advantages and disadvantages associated with each alternative.

ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

11-12-03  MOTION WAS MADE by Director Ferguson, seconded by Director Politi, and carried unanimously, to approve the Consent Calendar as presented.

1.1  Approval of Minutes
A.  Regular Board Meeting – November 16, 2011

1.2  Warrant List through December 7, 2011 - $4,398,384.05

ACTION ITEMS

RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT DESIGNATING THE DISTRICT REPRESENTATIVE, DENNIS O. LAMB, AS A MEMBER OF THE BOARD OF DIRECTORS OF THE SAN DIEGO COUNTY WATER AUTHORITY

General Manager Lamb stated that Director Ferguson, as the District’s current representative, no longer wishes to serve on the SDCWA Board and supports the General Manager representing the District on the Board. The effective date would be the date the SDCWA accepts the nomination and if they find that the qualifications are met. Director
Ferguson will remain the District’s representative until this takes place.

Staff recommended approval of the Resolution.

11-12-04  MOTION WAS MADE by Director Ferguson, seconded by Director Poltl, and carried unanimously, to approve the Resolution.

Resolution No. 1386 - The roll call vote was as follows:

AYES: Ferguson, Hernandez, Poltl, Shell, Gentry
NOES:
ABSENT:
ABSTAIN:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT APPOINTING TOM SCAGLIONE AS AN ALTERNATE REPRESENTATIVE TO THE BOARD OF DIRECTORS OF THE ENCINA WASTEWATER AUTHORITY

General Manager Lamb currently serves as the District’s Alternate Representative and wishes to appoint Finance Manager Scaglione as the District’s Alternate Representative to the Encina Wastewater Authority Board of Directors effective December 7, 2011.

Staff recommended approval of the Resolution.

11-12-05  MOTION WAS MADE by Director Ferguson, seconded by Director Hernandez, and carried unanimously, to approve the Resolution.

Resolution No. 1387 - The roll call vote was as follows:

AYES: Ferguson, Hernandez, Poltl, Shell, Gentry
NOES:
ABSENT:
ABSTAIN:

REQUEST FOR WATER AND SEWER ANNEXATION INTO THE VALLECITOS WATER DISTRICT AND SEWER IMPROVEMENT DISTRICTS 1, 2, 5 & 6 FOR WATER AND SEWER SERVICE – APN: 218-071-17 (CRUZ)

General Manager Lamb stated that the project is located at the southwest intersection of Mulberry Drive and Woodward Street. The property is currently within the Vista Irrigation District (VID) and receives water service through VID. The current owners, Fidel and Margarita Cruz, recently purchased the property and have stated that the septic system is not working properly. Based on information submitted by Mr. Cruz, the existing residence has been declared by the Department of Health Services as a "substandard housing and public nuisance in violation of health and safety code including sewage disposal failure".
The property is currently within the “Boot Area” of the District. In order to provide the practical continuation of the ongoing “Boot Area” detachment from VID, properties that request sewer service only are also required to annex to VWD for water and sewer service and detach from VID.

Fidel Cruz, owner of the property, addressed the Board. Mr. Cruz stated that with his annexation application, he requested annexation for sewer only because he does currently have water through VID. If he went ahead with the recommendation to add water, that adds an extra $30,000 to his bill, which is very difficult to do. He stated that he already has a meter; from his point of view, he does not see why he would have to get another meter when he already has one. He again stated that he is only asking to be annexed for sewer and not for water.

President Gentry asked Mr. Cruz if he understood the policy that General Manager Lamb explained. Mr. Cruz stated that he did understand but that was never explained to him; he just found out about that today.

Director Ferguson asked Mr. Cruz that when he purchased the property, was he advised of this situation and the fact that the policy at VWD is that water and sewer services are not split on annexations out of VID. Mr. Cruz stated that when he purchased the property, the realtor just told him to check with whoever he needs to check with. He further stated that he did come to the office and that he was just given a list of items that needed to be done. Their intention was never to go with water because there is a meter there. He did not know that if they were going to annex, they had to annex both; he just found out today that was the case.

General Manager Lamb stated that he has spoken with staff and was informed that Mr. Cruz spoke with Larry Gastar and that Mr. Cruz was told from the very beginning; it was explained to Mr. Cruz that the annexation would have to come for water and wastewater.

Mr. Cruz stated that he spoke with Mr. Gastar on Monday and was told by Mr. Gastar that he would get back to him that day. Mr. Gastar did not call him back on Monday and he had to call Mr. Gastar yesterday. Mr. Gastar told him that he would have to go to the Board; that is why he is here today.

General Manager Lamb stated that it was his understanding that the conversation has been ongoing with Mr. Cruz since July of this year and that it was made clear to Mr. Cruz that the annexation would have to include water and wastewater.

Director Hernandez asked Mr. Cruz if the issue was mainly an economic issue. Mr. Cruz stated yes.

Director Hernandez stated that if this is an economic issue, is there was any way to try and get this to be a “win, win” on everybody’s part; is there any way to solve this make this amicable for everyone.

Director Ferguson asked Legal Counsel Scott and General Manager Lamb how this would
affect the District’s policy if an exception is made.

Legal Counsel stated that when exceptions start being made, then the policy basically should be done away with.

General Manager Lamb stated that the annexation ordinance is very clear and the fees are very clear as to what they are based on. There have been previous similar requests in the past to waive annexation fees based on being a non-profit or a religious organization and the Board has held the policy firm and has not waived any fees or annexation. He further stated that capacity fees cannot be waived nor can the District waive SDCWA capacity fees.

Director Hernandez clarified that he was not suggesting waiving any fees but potentially extending them or putting them on taxes; is there any way to make it at least palatable.

Staff recommended approval of the annexation with the following conditions:

1. Payment of water annexation fee of $4,895.00 per acre (1.78 acres) = $8,713.10
2. Payment of sewer annexation fee of $7,043.00 per acre (1.78 acres) = $12,536.54
3. Payment of State Board of Equalization fee of $350.00.
4. Submit copy of title report showing ownership and a geographic description of the property including a plat map.
5. No construction of or connection to District water and sewer facilities will be allowed until completion of the annexation, payment of annexation fees, payment of water and wastewater capital facility fees and payment of all current fees and charges.
6. Initiate annexation proceedings with LAFCO within 90 days of initial Board approval. LAFCO phone No. (858) 614-77551.
7. Initiate detachment proceedings with VID. (760) 597-3100.
8. The owner is responsible for the abandonment of the existing VID meter.

11-12-06 MOTION WAS MADE by Director Ferguson, seconded by Director Poltl, and carried 3 - 2, to approve the annexation with conditions.

The roll call vote was as follows:

AYES: Ferguson, Poltl, Gentry
NOES: Hernandez, Shell
ABSENT:
ABSTAIN:

President Gentry clarified for Mr. Cruz the action taken by the Board and further clarified that the annexation will include both water and sewer and detachment from VID. He encouraged Mr. Cruz to meet with staff if needed for any further clarifications.

General Manager Lamb stated that staff will speak with VID staff to determine if anything can be done with respect to possibly some kind of temporary continuation of service from VID and allow something to come in over time. This could be a way to possibly reduce the amount throughout the process for Mr. Cruz. VID would have to be in agreement.
At this time, Director Ferguson excused herself from the Board meeting and was not present for the Closed Session and remainder of the Board meeting.

REPORTS

GENERAL MANAGER

General Manager Lamb stated that the SDCWA issued a press release this afternoon stating that the California 3rd Court of Appeals issued a ruling reversing the lower court’s action invalidating the 2003 Qualification Study Agreement.

General Manager Lamb stated that staff provided a presentation and facility tour for students from Richland Elementary school.

DISTRICT COUNSEL

None.

SAN DIEGO COUNTY WATER AUTHORITY

President Gentry stated that the 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 number of items were considered. The Committee awarded a budget of $184,000 for the engine overhaul; the proposal bid came in at $155,000.

ACWA REGION 10

Director Gentry stated that the meeting took place at the ACWA Conference; his report has been distributed to Board members. He further stated that he is the Region 10 President for 2012.

LAFCO

Director Hernandez stated that the meeting will be held on December 16.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

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

OTHER BUSINESS

None.
Minutes of the Vallecitos Water District Regular Meeting
December 7, 2011

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

11-12-07 MOTION WAS MADE by Director Polltl, seconded by Director Shell, and carried
unanimously, with Director Ferguson absent, to move into Closed Session
pursuant to Government Code Section 54956.9(a) – Conference with Legal
Counsel.

At this time, Director Hernandez excused himself from the Board meeting and was not
present for the Closed Session and remainder of the Board meeting.

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at the hour of 5:42 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 Gentry adjourned the Regular Meeting
of the Board of Directors at the hour of 5:43 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for
Wednesday, December 21, 2011, 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 O. Lamb, General Manager
Board of Directors
Vallecitos Water District