

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, OCTOBER 3, 2012 AT 4:00 P.M.
AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT GENTRY

PLEDGE OF ALLEGIANCE – GENERAL MANAGER LAMB

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 OCTOBER 3, 2012

INTRODUCTIONS

Human Resources Technician Anderson will introduce new employee – **Elissia Saavedra**, Accounts Specialist III and new employee - **Angela Salcido**, Accounts Specialist I.

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 – SEPTEMBER 19, 2012 (pp. 1-7)

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

- 1.2 WARRANT LIST THROUGH OCTOBER 3, 2012 - \$3,365,704.85 (pp. 8-10)

Recommendation: Approve Warrant List

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

ACTION ITEMS

- 2.1 AUTHORIZATION FOR 2012 FINANCING (pp. 11-12)

The District's adopted 2012/13 budget includes a financing of \$7.1 million for the capacity portions of the San Marcos Interceptor and Linda Vista Sewer Projects.

Recommendation: Request Board consider and approve the financing in concept

- 2.2 2013 CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) COMMITTEE AND EXPERT TEAM PARTICIPATION (pp. 13)

CSDA is asking for volunteers to participate and contribute on one or more of their Committees and/or Expert Feedback Teams to assist in shaping CSDA.

Recommendation: Request Board direction

*****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

4.1 MEETINGS (pp. 14)

Urban Water Institute's Spring Water Conference

February 20-22, 2013 – Hilton Hotel, Palm Springs, CA

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

CLOSED SESSION

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

Citizens Development Corporation, v. County of San Diego, et al.
United States District Court, for the Southern District of California
Case No. 12CV0334 IEG RBB

5.2 CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) CONFERENCE WITH LEGAL COUNSEL – EXISTING PUBLIC EMPLOYMENT RELATIONS BOARD CASE

Case No. LA-SV-171-M

Claimant: Vallecitos Water District Public Services Employees

5.3 CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957 PUBLIC EMPLOYEE PERFORMANCE EVALUATION – GENERAL MANAGER

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

6.1 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, September 28, 2012.

Diane Posvar

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, OCTOBER 3, 2012, AT 4:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

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

General Manager Lamb led the pledge of allegiance.

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

Staff Present: General Manager Lamb
Legal Counsel Scott
Legal Counsel Dodson
Legal Counsel Meyers
Director of Operations & Maintenance Gerdes
Finance Manager Fusco
Principal Engineer Gumpel
Water Operations Supervisor Pedrazzi
Public Information/Conservation Supervisor Urabe
Public Information Representative Webb
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF OCTOBER 3, 2012

12-10-01 MOTION WAS MADE by Director Ferguson, seconded by Director Shell, and carried unanimously, to adopt the agenda for the Regular Board Meeting of October 3, 2012.

INTRODUCTIONS

Human Resources Technician Anderson introduced new employees Angela Salcido, Accounts Specialist I, and Elissia Saavedra, Accounts Specialist III.

ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

12-10-02 MOTION WAS MADE by Director Ferguson, seconded by Director Poltl, and carried unanimously, to approve the Consent Calendar as presented.

- 1.1 Approval of Minutes
 - A. Regular Board Meeting – September 19, 2012
- 1.2 Warrant List through October 3, 2012 - \$3,365,704.85

ACTION ITEMS

AUTHORIZATION FOR 2012 FINANCING

General Manager Lamb stated that this item was discussed at the September 10 Board Committee meeting. The District's adopted 2012/13 budget includes a financing of \$7.1 million for the capacity portions of the San Marcos Interceptor and Linda Vista Sewer Projects. The \$7.1 million tax-exempt debt replaces a \$6.1 million taxable borrowing anticipated in the previous year's budget to pay-off the CalPERS side fund and fund an OPEB trust. Three basic options were evaluated for the financing: a partial defeasance, a full defeasance and a bank loan.

A bank loan will be the likely recommendation due to the relative ease and expense in comparison to a public offering of debt. Mr. Porr and his staff will facilitate the solicitation of proposals from Bank of America, Bank of the West, Union Bank, JP Morgan Chase, and California Bank & Trust for a tax-exempt private placement, ten-year term, with level principal payments each year, with quotes for a floating rate and a fixed rate, and loan amounts of \$7.1 million, or \$13.5 million to refund the \$6.4 million balance current Union Bank loan. The current Union Bank loan has a subordination clause for subsequent debt that may not be favorable to the credit committees of the proposing banks. If the debt is issued at the larger amount and at parity (rather than subordinate) the District will likely secure more favorable terms and pricing.

Staff recommended the Board approve the financing in concept.

12-10-03 MOTION WAS MADE by Director Poltl, seconded by Director Hernandez, and carried unanimously, to approve the financing in concept.

2013 CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) COMMITTEE AND EXPERT TEAM PARTICIPATION

General Manager Lamb stated that CSDA is reaching out to member agencies for volunteers to participate and contribute on one or more of their Committees and/or Expert Feedback Teams to assist in shaping CSDA. He asked the Board members to notify the Executive Secretary if there is interest in participating.

The Board took no action on this item.

REPORTS

GENERAL MANAGER

General Manager Lamb stated that John Rossi, General Manager for Western Municipal Water District, is scheduled to speak at Rincon Del Diablo Municipal Water District's Board meeting on October 9 regarding the Metropolitan Water District/San Diego County Water Authority pending lawsuit. He is planning to attend the Board meeting.

DISTRICT COUNSEL

None.

SAN DIEGO COUNTY WATER AUTHORITY

General Manager Lamb stated that he attended the Special Water Planning Committee meeting last night. Approximately 120 people were in attendance. Approximately 22 persons spoke in favor of the desalination project while 8 persons spoke against it. One of the individuals speaking in favor of the project is a VWD customer. The next Special Water Planning Committee meeting is scheduled on October 10 beginning at 6:30 pm at the City of Carlsbad on Faraday Avenue. He and the Assistant General Manager will be attending. A Special San Diego County Water Authority Board meeting has been scheduled on October 11 at which the detailed rate impacts and analysis will be discussed.

ENCINA WASTEWATER AUTHORITY

None.

ACWA REGION 10

President Gentry reported on his attendance at the ACWA Board meeting last week. He encouraged Board members to attend the Regions 9 & 10 joint program on October 19 if possible. An issue forum will also be held at the ACWA Fall Conference in December.

LAFCO

None.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

President Gentry 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)

Citizens Development Corporation, v. County of San Diego, et al.
United States District Court, for the Southern District of California
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CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a)
CONFERENCE WITH LEGAL COUNSEL – EXISTING PUBLIC EMPLOYMENT RELATIONS
BOARD CASE

Case No. LA-SV-171-M

Claimant: Vallecitos Water District Public Services Employees

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957 PUBLIC
EMPLOYEE PERFORMANCE EVALUATION – GENERAL MANAGER

12-10-04 MOTION WAS MADE by Director Ferguson, seconded by Director Shell, and carried unanimously, to move into closed session pursuant to Government Code Sections 54956.9(a) and 54957.

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at the hour of 6:06 p.m. The Board, in Closed Session, received a report on the status of the CDC litigation and discussed the evaluation of the General Manager.

ADJOURNMENT

There being no further business to discuss, President Gentry adjourned the Regular Meeting of the Board of Directors at the hour of 6:07 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, October 17, 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 O. Lamb, Secretary
Board of Directors
Vallecitos Water District