

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, NOVEMBER 7, 2018, AT 5:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Hernandez called the Regular meeting to order at the hour of 5:00 p.m.

Director Evans led the pledge of allegiance.

Present: Director Elitharp
Director Evans
Director Martin
Director Sannella
Director Hernandez

Staff Present: General Manager Pruim
Legal Counsel Gilpin
Administrative Services Manager Emmanuel
District Engineer Gumpel
Finance Manager Owen
Operations & Maintenance Manager Pedrazzi
Capital Facilities Senior Engineer Hubbard
Development Services Senior Engineer Scholl
Information Technology Supervisor Labarrere
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF NOVEMBER 7, 2018

18-11-03 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, to adopt the agenda for the Regular Board Meeting of November 7, 2018.

PUBLIC COMMENT

Mike Hunsaker, member of the public, addressed the Board stating he is the president of the Twin Oaks Valley Property Owners Association. He expressed his concerns of the growing water shortage created by drought and over development, and the need for individual metering for every apartment to ensure appropriate tracking of usage and leaks. The state has indicated it wants to ration indoor residential use first. SB 814 allows you to apply whatever conservation measures you believe are necessary. He believes the District has a duty to make sure that tier structure is in place, water waste is avoided by tracking use properly, and that water meters are appropriately sized. He thanked the Board.

CONSENT CALENDAR

1.1 Approval of Minutes

A. Regular Board Meeting – October 17, 2018

1.2 Warrant List through November 7, 2018 - \$5,488,638.89

1.3 Construction Contract Acceptance of Fulton Road, NCTD Easement, Laurels Subdivision – Sewer Lining and Repairs

1.4 Final Acceptance of Water and Sewer Improvements for Borden Road 22 (Borden Road 22, LLC)

18-11-04 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, to approve the Consent Calendar as presented.

ACTION ITEMS

EMERALD HEIGHTS HOMEOWNERS ASSOCIATION WATER SERVICE CONCERNS

General Manager Pruim stated representatives of the Emerald Heights Homeowners Association (EHHA) addressed the Board during Public Comments at the October 17 Board meeting expressing their concerns about water costs and maintenance responsibilities and asked for the District's assistance. This item was placed on the agenda for discussion. He further stated staff met with Dan Cannon and Tesla DuBois of EHHA last week.

Development Services Senior Engineer Scholl stated staff discussed four issues with Mr. Cannon and Ms. DuBois:

- Water meters – EHHA requested the District swap some of their existing 1½ and 2-inch meters around their property so that the larger meters are positioned in areas of high demand and the smaller meters are in areas of lower demand. This could potentially reduce the amount of water being charged at the highest tier 3 rates. Staff was agreeable to swap the meters; however, the water service lines that run from the main to the meter need to be evaluated by a private contractor to determine if they are sized properly. If not, EHHA's contractor could upsize the service lines and make the necessary meter exchanges.
- Road maintenance responsibilities – an existing easement utilized by District staff to access the Richland potable water tanks is also used by EHHA's landscape contractors and cellular companies that have equipment at the

District's Richland tank as well as EHHA properties. EHHA asked if the District was willing to participate in slurry sealing of the road. Staff indicated they would consider participating in a one-time slurry sealing.

- Brush maintenance responsibilities – EHHA asked if the District would be willing to participate in brush maintenance along the access easement. The District performs brush abatement as needed for access to all of its easements. Staff indicated they may be willing to perform brush maintenance along the access easement within the next few months.
- Maintenance and repair of access gate – EHHA asked if the District would be willing to participate in the maintenance and repair of an access gate on the northern side of the EHHA development. The gate is not necessary to secure District facilities as the Palos Vista tank property is already secured; therefore, staff would not be interested in assisting with the maintenance of the gate.

General Manager Pruim stated that some of EHHA's requests are reasonable on a one-time basis but did not recommend the Board agree to permanent maintenance responsibilities.

General discussion took place regarding the easement, road, and access gate.

Dan Cannon, representative of EHHA, stated his concerns about the high water bills the association has been experiencing due to the tier 3 water rate increase last year. Their primary concern is swapping the meters. He is waiting for a decision as to whether the District is willing to exchange the meters as they have requested. EHHA's requests pertaining to the maintenance of the easement road, gate, and brush abatement are due to fire concerns.

General discussion took place regarding swapping the meters. If the service lines are appropriately sized, it would not be a big project; however, if the service lines/parts are inadequate, upsizing the lines would be a big expense to the District.

The consensus of the Board was to direct staff to evaluate and give EHHA an estimate of the cost to swap out the meters they have requested, determine the cost sharing for a one-time slurry of the road, and determine how staff could add brush abatement of the easement to their regular schedule of brush maintenance. Staff will report back to the Board at the December 5 Board meeting.

UPDATE ON THE CONSTRUCTION OF BOARDROOM AUDIOVISUAL AND LIGHTING UPGRADES PROJECT

Information Technology Supervisor Labarrere provided a brief update on the construction of the Boardroom audiovisual and lighting upgrades project to date. Construction commenced on August 2, is approximately 90% complete, and is

scheduled for completion on November 12. Pending items include installation of ceiling speakers, programming such as camera pre-sets, and end-user training.

General discussion took place regarding how the new microphones function, the voting system and programming that needs to be completed.

This item was for information only.

REVISIONS TO EMPLOYEE RECOGNITION PROGRAM

Administrative Services Manager Emmanuel outlined revisions to the District's Employee Recognition Program that were previously discussed with the Board in closed session, representatives of the Employee's Association, and attorneys from Best Best & Krieger to develop a comprehensive program in compliance with various regulations including the California Constitution's prohibition for gifts of public funds. The current program includes limited individual and team awards, but no forms of recognition for District-wide performance. The proposed changes include minor revisions to the existing awards and new peer awards, organizational achievement awards, and individual achievement awards.

Administrative Services Manager Emmanuel further stated organizational and individual achievement awards would be monetary in the form of lump sum bonuses and would be awarded to employees either by the Board or General Manager per policy. The General Manager would award only the individual achievement awards which would be limited to a maximum of \$500 per employee. Types of organizational achievement awards are when the District receives state or local awards and a Gainsharing Incentive Plan when the District receives a refund check as a result of cost-saving measures by employees. The Board would have discretion to designate funds for a gainsharing award depending on factors such as the financial condition of the District. Gainsharing funds would be divided equally between the District and the employees. The Employee Recognition Program would also include individual achievement awards for employees with significant personal accomplishments and would be presented at Board meetings to recognize staff for their new job-related certifications as is the current practice.

Administrative Services Manager Emmanuel outlined other proposed changes to the program which include quarterly raffles for employees who receive either Aqualades (acknowledgment from the public for going above and beyond their job duties), Waves (peer awards) and Ripples (previously called Spot Awards given by supervisors and managers). These awards would be nominal such as donuts or small gift cards for coffee, etc. The proposed changes will encourage more participation in the program and help to promote efficiency, initiative, and morale with a maximum cost of \$8,000.00 per year.

Staff recommended the Board adopt the resolution approving the Gainsharing Incentive Plan and approve the proposed revisions to the Employee Recognition Program as outlined in the Employee Handbook.

General discussion took place regarding details of the Gainsharing Incentive Plan, particularly the percentage of the award, and clarification of the proposed resolution.

18-11-05 MOTION WAS MADE by Director Sannella, seconded by Director Martin, and carried unanimously, to adopt the proposed resolution approving a Gainsharing Incentive Plan with amendments to Section 4 to reflect that the 50/50 percentage is changed to “at the Board’s discretion.”

Resolution No. 1544 – the roll call vote was as follows:

AYES: Elitharp, Evans, Martin, Sannella, Hernandez

NOES:

ABSTAIN:

ABSENT:

18-11-06 MOTION WAS MADE by Director Evans, seconded by Director Sannella, and carried unanimously, to approve revisions to the Employee Recognition Program in the Employee Handbook as presented with the addition of an \$8,000.00 maximum per year on individual awards.

CONSTRUCTION CONTRACT AWARD FOR PALOS VISTA PUMP STATION ELECTRIC GENERATOR

Capital Facilities Senior Engineer Hubbard stated the Palos Vista Pump Station lifts water up to the Palos Vista tank which supplies water to the Emerald Heights community. The pump station currently does not have a generator backup for emergency power. This project is to ensure reliability to the Emerald Heights community and to install a permanent on-site generator and associated equipment which meets state requirements.

Capital Facilities Senior Engineer Hubbard further stated bids were received on October 16 and reviewed by staff and Counsel. Baker Electric submitted a protest letter on October 19 which staff and Counsel found to be without merit as the bid irregularities noted were minor and waivable. Bergelectric was determined to be the lowest responsive, responsible bidder.

Staff recommended the Board reject the protest letter from Baker Electric as without merit and authorize the General Manager to execute a construction contract with Bergelectric in the amount of \$180,321.00, subject to the provisions of the contract.

General discussion took place regarding the necessity of a permanent backup generator for the Emerald Heights community and the estimated cost and budget for the project.

18-11-07 MOTION WAS MADE by Director Martin, seconded by Director Evans, and carried unanimously, to award the construction contract to Bergelectric.

PROJECT ACCEPTANCE OF STARGAZE COURT AND RIVER RUN CIRCLE WATER LINE REHABILITATION

Capital Facilities Senior Engineer Hubbard provided background on the project to rehabilitate water lines on Stargaze Court and River Run Circle, both of which had numerous failures in recent years. The original construction estimate to replace both lines using traditional open-cut methods was \$701,600.00. Sanexen Water, Inc. (Sanexen) proposed an alternative method utilizing a composite structural liner product, Aqua Pipe. The cost for both lines was quoted at \$383,500.00. The Board awarded the contract to Sanexen on March 21, 2018. Construction began in June and was completed on September 6 with two change orders and much more staff time than estimated which resulted in a budget increase of \$56,740.00. Due to deficiencies in the temporary highline, numerous customer complaints regarding irrigation systems were received during construction. To protect the District, Sanexen and staff agreed to withhold \$20,000 in disputed funds for 90 days following the date construction was completed to resolve any potential claims from customers for landscape replacement. To date, no claims have been filed with the District.

Staff recommended the Board increase the budget by \$56,740.00, accept the project and authorize the filing of a Notice of Completion, release of retention funds to the contractor following the 60-day notice period, and release of disputed funds to the contractor following a 90-day review period, provided no claims are filed.

General discussion took place regarding the Aqua Pipe product and its possible use in future projects, a critique of Sanexen, and the great efforts staff made in accommodating customers' needs during the construction process.

18-11-08 MOTION WAS MADE by Director Martin, seconded by Director Evans, and carried unanimously, to increase the budget by \$56,740.00, accept the project and authorize the filing of a Notice of Completion, release of retention funds to the contractor following the 60-day notice period, and release of disputed funds to the contractor following a 90-day review period, provided no claims are filed.

REPORTS

GENERAL MANAGER

None.

DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin stated he has received questions about committee meetings and lack of quorums. He requested this topic be placed on a future agenda for discussion.

SAN DIEGO COUNTY WATER AUTHORITY

Director Evans stated a special meeting of the Engineering and Operations Committee will be held tomorrow to discuss pump storage at San Vicente Reservoir as well as an Audit Committee meeting regarding final review.

ENCINA WASTEWATER AUTHORITY

President Hernandez reported on his attendance to the Capital Improvement Committee meeting this morning at which discussion took place regarding food waste entering the system. A workshop on this subject will be held in February.

Director Elitharp reported on his attendance to the Policy and Finance Committee meeting on November 6 at which the Committee reviewed the Other Post Employment Benefits Plan status update. The next Committee meeting is scheduled on December 4.

STANDING COMMITTEES

None.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Martin stated the District has received the Special District Leadership Foundation District of Distinction Silver Re-accreditation.

Director Martin reported on his attendance to the District's Water Academy on October 25.

Director Evans and Martin reported on their attendance to the ACWA Region 10 Program on October 18.

OTHER BUSINESS

QUARTERLY BOARD EXPENSES

This information was provided per Ordinance No. 203; no action required.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

President Hernandez requested a review of the District's leak policy.

Director Sannella inquired about the status of the District's adjacent property. General Manager Pruim stated he hopes to provide an update in December.

ADJOURNMENT

There being no further business to discuss, President Hernandez adjourned the Regular Meeting of the Board of Directors at the hour of 7:24 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, November 21, 2018, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

James Hernandez, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruim, Secretary
Board of Directors
Vallecitos Water District