AGENDA FOR A COMMITTEE MEETING OF THE WHOLE
SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
MONDAY, AUGUST 12, 2013, AT 4:00 P.M.
AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT HERNANDEZ

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. CONSTRUCTION DEPARTMENT PRESENTATION

2. APPROVAL OF AS-NEEDED ENGINEERING SERVICES AGREEMENTS FOR FISCAL YEAR 2013/14 AND 2014/15

3. AWARD OF DESIGN CONTRACT FOR SAN MARCOS INTERCEPTOR PHASE 2

4. REQUEST FOR WATER AND SEWER ANNEXATION INTO THE VALLECITOS WATER DISTRICT AND SEWER IMPROVEMENT DISTRICTS 1, 2 & 6 FOR WATER AND SEWER SERVICE - APN: 221-661-23 (MOXIE PACIFIC PALOMAR, LLC)

5. CIP QUARTERLY UPDATE PRESENTATION

6. COST OF SERVICE STUDY PRESENTATION

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

OTHER BUSINESS

7. DIRECTORS' COMMENTS / FUTURE AGENDA ITEMS

*****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.

Audio and video recordings of all Board meetings are available to the public at the District website www.vwd.org
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 4:00 p.m., Thursday, August 8, 2013.

Diane Posvar
President Hernandez called the Committee meeting to order at the hour of 4:00 p.m.

Present: Director Evans (4:07 pm)
Director Ferguson
Director Martin
Director Poltl
Director Hernandez

Staff Present: General Manger Lamb
Assistant General Manager Scaglione
Legal Counsel Scott
Director of Engineering & Operations Gerdes
Administrative Services Manager Emmanuel
Principal Engineer Gumpel
Capital Facilities Engineer Scholl
Water Operations Supervisor Pedrazzi
Customer Service Supervisor Arcia
Source Control Technician Harrell
Executive Secretary Posvar
Administrative Secretary Rogers

ORAL COMMUNICATIONS

None.

DISCUSSION/ACTION ITEMS

CONSTRUCTION DEPARTMENT PRESENTATION

System Construction Supervisor Howe stated that the Construction Department consists of three separate crews – Construction Crews, Valve Crew and Landscape Crew. He then introduced staff members Chris Carlisle, Kevin Anctil, John Truppa and Russell Kubota who provided an overview of the Department and respective crews.

Chris Carlisle, Construction Department:

- The Construction department is made up of thirteen employees.
- They hold thirteen CDPH certifications which includes distribution certifications as well as treatment certifications. They have three California Water Environment Association (CWEA) certifications, four Landscape certifications, and ten commercial driver's licenses.
- Staff works with water as well as sewer; assists other departments when needed.
- In the last ten years, eight employees from the Construction Department have been promoted to other positions in the District.
Kevin Anctil, Construction Crew

- The district has two, four person construction crews.
- The Construction Crews each are run by an Equipment Operator who are responsible for overseeing the crew members, job sites in the field, as well as operating the equipment.
- The crews consist of System Construction Workers Toby Luna, Brandon Coleman, Brian Spencer, Steve Klein, Chris Carlisle and Mark Lee.
- The crews are responsible for construction, installation, maintenance, and repair of the District’s water and sewer systems, facilities, equipment and easements.
- The Construction Department often assists other departments with construction related projects or just when extra help is needed.

John Truppa, Valve Crew

- The crew was established in 2002 and consists of one System Construction Worker 2 and one crew member that rotates every 6 months.
- The primary task for the valve crew is to inspect and exercise all valves in the system every two years, and to make sure they are raised and accessible for scheduled and emergency shutdowns.
- The valve crew is responsible for all of the water system shutdowns in the District, for both outside contractors and for Vallecitos crews; highlining priority customers with special needs; assisting water operations group with water quality; responding to all customer calls pertaining to water main breaks and fire hydrant issues as well as other customer concerns; after hours standby duty.

Russell Kubota, Landscape Crew

- The Landscape Department was created in 2001 and consists of two staff; main priorities are maintaining the landscaping around the District headquarters, Meadowlark Treatment Plant, the Twin Oaks Reservoirs, South Lake and Mahr Reservoir, District tank sites, easements, right-of ways and appurtenances.
- Maintains the Collections Outfall easement; conducts weed abatement and vegetation management.
- Works on large projects with Cal Fire who partners with the California Department.

Toby Luna, System Construction Worker, concluded the presentation and opened general discussion.

This presentation was for information only.
APPROVAL OF AS-NEEDED ENGINEERING SERVICES AGREEMENTS FOR FISCAL YEAR 2013/14 AND 2014/15

Principal Engineer Gumpel stated that Vallecitos Water District routinely requires minor engineering and design services for its capital projects and other unscheduled small projects. The cost of these services generally do not justify going through the formal engineering proposal process. Based on past experience, it is often in the best interests of the District to negotiate standard fees for these types of services. Over the past few years, staff has negotiated reduced rates, on an annual basis, with selected engineering/design/specialty firms which have submitted resumes, provided statements of qualifications and/or proposals and have successfully completed projects and provided services to the District. In 2011, the agreements and standard fees were revised to a two year basis. All as-needed agreements will be reviewed and renewed on a bi-annual basis. Staff and Counsel have reviewed the Engineering Services Agreements and find them consistent with similar, past agreements.

The following firms were selected for as-needed services:

- Infrastructure Engineering Corp. - Engineering Design
- Kennedy Jenks - Engineering Design
- Nolte Associates - Engineering Design
- Dudek – Engineering Design
- RF Yeager – Corrosion Engineering
- Southern California Soils and Testing – Geotechnical Engineering
- Harper & Associates – Reservoir Corrosion/Inspection and Design

Each consultant submitted a proposal for Engineering Services on a time and material basis. The hourly rates are reduced from their normal rates because certain administration/marketing costs are not required for the “on-call” nature of the work involved. Fees associated with specific work under these as-needed contracts will be directly reimbursed through developer deposits or charged to specific capital projects. As-needed agreements are utilized for contracts up to $150,000 in accordance with the District’s purchasing policy.

Following general discussion, the consensus of the Board Committee was to recommend this item be presented to the full Board for consideration and approval.

AWARD OF DESIGN CONTRACT FOR SAN MARCOS INTERCEPTOR PHASE 2

Principal Engineer Gumpel stated that the San Marcos Interceptor Project consists of replacing the existing 21” sewer interceptor with approximately 9,000 LF of 36” to 42” diameter sewer pipe between Twin Oaks Valley Road and Lift Station No. 1.

Currently, Phase 1 is under construction between the southwest side of State Route 78 and east of Johnston Lane. Phase 1 consists of two tunnel portions as well as sections
of open cut trenching. Phase 2, extending from Lift Station No. 1 to Via Vera Cruz, will complete the project.

The design of the San Marcos Interceptor Sewer replacement was initiated in 1999. Kennedy/Jenks was retained by the District to perform the initial design. Due to permitting uncertainty related to the location of the existing and proposed sewer, the project was placed on hold with the design about 50% complete. Concern for the level of environmental impact associated with the project was the largest single factor in initiating the hold. More recently, coordination with the City of San Marcos, their plans for improvements along the creek, and the slowdown in the economy and development caused additional delays to the project.

District staff requested a new scope and fee from Kennedy Jenks for Phase 2 in order to incorporate the latest changes to the alignment and extension. Kennedy/Jenks Consultants submitted an engineering services proposal and scope for final design and construction phase services of the San Marcos Interceptor Replacement Project for Phase 2. Staff reviewed the proposal and concurred with the scope and fee in the amount of $381,732. The project is identified in the FY 13/14 budget.

Following general discussion, the consensus of the Board Committee was to recommend this item be presented to the full Board for consideration and approval.

REQUEST FOR WATER AND SEWER ANNEXATION INTO THE VALLECITOS WATER DISTRICT AND SEWER IMPROVEMENT DISTRICTS 1, 2 & 6 FOR WATER AND SEWER SERVICE - APN: 221-661-23 (MOXIE PACIFIC PALOMAR, LLC)

Principal Engineer Gumpel stated that Mr. Ted Weeks, managing member of Moxie Pacific Palomar, LLC, is requesting annexation for water and sewer service. The property is near the boundaries of Poinsettia Avenue and Business Park Drive, located at the north side of San Marcos Boulevard. The property is currently within the Vista Irrigation District (VID) in the City of Vista.

Based on the information submitted by Excel Engineering (engineer of work), the zoning administrator of the City of Vista adopted a mitigated negative declaration (6/28/11) for a tentative parcel map for five industrial parcels.

One of the conditions of approval requires the reorganization from Vista Sanitation District (Buena) and Vista Irrigation District (VID) to Vallecitos Water District (VWD) for water and sewer service. All conditions precedent to serving the project will be imposed by VWD in accordance with the Local Agency Formation Commission (LAFCO). Water and sewer improvements are approved by and bonded with VWD.

The owner was informed early in the process that annexation into VWD for water and sewer service and concurrent detachment from VID will be required prior to water and sewer service being available (District Ordinance No. 153). Also, processing and
approval of the annexation by the Local Agency Formation Commission (LAFCO) will be required. The property is currently within the VWD Sphere of Influence as adopted by LAFCO; therefore, no Sphere of Influence amendment will be required.

District water facilities are currently available fronting the property in both San Marcos Blvd. and Avenida Michelle. Sewer facilities are available in San Marcos Blvd., however these existing facilities are not adjacent to the property. Existing sewer facilities adjacent to the property are available in Avenida Michelle. These facilities shall be extended to front each newly created parcel (by owner/developer).

A water study is required for the proposed five lot subdivision to determine impacts to existing facilities including storage, necessary to serve the development. In addition to a water study, a sewer study should be completed to determine if the existing facilities are adequately sized to provide service to the proposed project.

Following general discussion, the consensus of the Board Committee was to recommend this item be presented to the full Board for consideration and approval, with conditions.

CIP QUARTERLY UPDATE PRESENTATION

Principal Engineer Gumpel presented the CIP Quarterly Update as follows:

- **Richland Tank No. 1 Refurbishment**
  - This project will provide new coatings and update the tank to current OSHA standards.
  - Currently out to bid with bid opening scheduled for May 8, 2013.
  - One change order in the amount of $10,725 for additional steel rafter repairs
  - Contract start date – 7/8/13
  - Revised completion date – 10/20/13

- **Rock Springs Sewer Replacement**
  - This project will eliminate an existing surcharging condition in the District’s collection system between Woods Drive and Hannigans Way within the greenbelt area south of Rock Springs Road.
  - 60% construction plans and specifications continuing
  - CEQA environmental studies ongoing
  - Appraisal commenced for required easements
  - Design contract completion date – December, 2013
  - Construction completion date – November, 2014
• San Marcos Interceptor Phase 1
  o Phase 1 is the portion from the south side of SR 78 to east of Johnston Lane which consists of 1,916 LF from the overall project.
  o The Notice of Award was issued to James W. Fowler Co. on April 18, 2013
  o The Notice to Proceed was issued July 1, 2013
  o Estimated contract start date – 7/1/13
  o Estimated completion date – 3/28/14

• Linda Vista East Sewer
  o This project will eliminate an existing surcharging condition and also accommodate planned development.
  o Revised 100% construction plans and specifications completed
  o CalTrans Encroachment Permit for SR 78 crossing extended
  o Bixby Land Company sewer pipeline easement agreement executed
  o Design contract completion date – July, 2013
  o Construction completion date – March, 2014

• San Marcos Interceptor Phase 1A
  o Phase 1A is the portion between Grand Avenue and Via Vera Cruz which consists of approximately 3,000 LF from the overall project.
  o The Board accepted the project on April 3, 2013
  o Contract Start Date – 5/14/12
  o Completion Date – 4/3/13

• Lift Station 1 Pump Improvements
  o This project is to increase the capacity of Lift Station 1 from about 2,000 gallons per minute (gpm) to 3,100 gpm through the installation of a new pump as well as replacement of an older pump with a new one
  o 60% construction plans and specifications completed
  o 90% construction plans and specifications commenced
  o Design contract completion date – October, 2013
  o Construction completion date – April, 2014

• 12” Failsafe Replacement at Redwing Street
  o The pipeline will be replaced and raised to a shallower depth, approximately 405 feet of the 12” Failsafe will be replaced with this project.
  o Plans and specifications completed by District staff
  o Project sent out to bid
  o Board Award Date – 8/7/13
  o Estimated Completion Date – October, 2013
• MRF Solids Force Main Replacement
  o This project involves the replacement of approximately 5,700 feet of existing 6-inch DIP force main with a new HDPE or welded PVC pipe.
  o Preliminary design report completed
  o Solids pump wet well evaluation completed
  o 50% construction plans and specifications received
  o Design contract completion date – January, 2014
  o Construction completion date – November, 2014

• Meadowlark Reclamation Facility Primary Clarifier Recoating
  o Recoating of Meadowlark Reclamation Facility primary clarifier effluent channel and roughing filter inlet basin.
  o The Board accepted the project at the June 5, 2013 meeting
  o Change orders total -$5,328.24
  o Contract start date – 2/25/13
  o Completion date – 6/5/13

• San Elijo Hills Pump Station
  o This new pump station will transport at least 2,750 acre-feet of potable water each year from the Olivenhain Municipal Water District’s system to VWD’s 877 pressure zone. A building to house the pumps, header pipeline and electrical equipment will also be constructed.
  o Continued preliminary design and sizing of pumps
  o Commenced Addendum to Master Plan PEIR to cover the San Elijo Hills Pump Station project
  o Completed biological studies to determine presence of endangered species
  o Commenced appraisal for both site alternatives
  o Change order amendment #1 – amended the Master Plan PEIR to include the San Elijo Hills Pump Station project - $20,658.00
  o Design contract completion date – October, 2013
  o Construction completion date – June, 2014

• Project Totals
  o 15 change orders for total of $175,500 over last fiscal year
  o Percentage of change orders is 1.94%

This item was presented for information only.
COST OF SERVICE STUDY PRESENTATION

Assistant General Manager Scaglione facilitated the follow-up presentation on the Vallecitos Water District Cost of Service Study. The presentation included the following topics:

- Objective of Today’s Meeting
  - Review presentation from July 24 committee meeting
  - Address questions/concerns from last presentation
  - Discuss rate alternatives
  - Review Public Hearing (218) Notice and timeline
  - Review recommendations for August 21 Board Meeting
    - Change base meter to ¾” (phase-in the change)
    - Recommend full Board consider and accept Report
  - Address questions and comments from the Committee

- Questions/concerns from last Presentation
  - Allocation of costs to peaking
  - Strengths as a cost driver for sewer expenses
  - Impact to existing customers from switch to ¾” base meter
  - Holding big meter charges (not lowering them)
    - So 5/8” increases can be reduced
  - Mitigating the impact from the loss of the frugal discount

- Cost allocation – water
- Allocation of budgeted water - Operations & Maintenance
- Allocation of budgeted water - capital
- Explanation of why portion of cost is allocated to peaking
- The good news and bad news of declining water demand
- Cost allocation – sewer
- Allocation from sewer rate model
- Sewer costs driven by strengths
- Impact of changing base meter to ¾”
- RTS proposed charges for each meter size
- Base meter change to ¾”
- Ready-to-Serve proposed charges
- Ready-to-Serve alternative charges
- Active meters in July 2013
- Frugal use discount
- VWD frugal use discount recipients
- Frugal use discount – Prop 26
- Frugal discount – ways to mitigate
- 4-Tier rate impact
- Budgeted 13/14 tier revenue comparisons
- 218 Notice has been mailed out
DIRECTOR’S COMMENTS/FUTURE AGENDA ITEMS

President Hernandez stated that he would like the Board to think about the time for this meeting and possibility of moving it back to 12:00 or 1:00 p.m.

General Manager Lamb stated that he will place this item on the next Board agenda for discussion.

ADJOURNMENT

There being no further business to discuss, President Hernandez adjourned the Board Committee meeting at the hour of 7:17 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, August 21, 2013, at 4:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

__________________________________________

James Hernandez, President
Board of Directors
Vallecitos Water District

ATTEST:

Dennis O. Lamb, Secretary
Board of Directors
Vallecitos Water District