CALL TO ORDER – PRESIDENT HERNANDEZ

PLEDGE OF ALLEGIANCE – DIRECTOR MARTIN

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 JANUARY 16, 2013

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 – DECEMBER 19, 2012
B. REGULAR BOARD MEETING – JANUARY 2, 2013
C. COMMITTEE MEETING OF THE WHOLE SPECIAL BOARD MEETING – JANUARY 7, 2013

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes
1.2 WARRANT LIST THROUGH JANUARY 16, 2013 – $3,208,250.48

Recommendation: Approve Warrant List

1.3 FINANCIAL REPORTS

A. WATER METER COUNT – DECEMBER 31, 2012
B. WATER PRODUCTION/SALES REPORT – 2012/2013
C. WATER REVENUE AND EXPENSE REPORT – DECEMBER 31, 2012
D. SEWER REVENUE AND EXPENSE REPORT – DECEMBER 31, 2012
E. RESERVE FUNDS ACTIVITY – DECEMBER 31, 2012

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

ACTION ITEMS

2.1 ENGINEERING SERVICES AGREEMENT – MEADOWLARK WATER RECLAMATION FACILITY SOLIDS FORCE MAIN REPLACEMENT

The force main is over 40 years old and has reached the end of its useful life.

Recommendation: Approve a professional services agreement with Nolte Associates, Inc. in the amount of $215,500.00

2.2 ENGINEERING SERVICES AGREEMENT – LIFT STATION NO. 1 PUMP IMPROVEMENTS

The project improvements include the installation of a high-capacity pump and an overhaul of the lift station’s electrical package and discharge pipeline arrangement.

Recommendation: Approve a professional services agreement with Infrastructure Engineering Corporation in the amount of $64,735.00

2.3 AWARD OF CONTRACT FOR BYPASS PUMPING FOR CLEANING AND RECOATING OF THE MEADOWLARK RECLAMATION FACILITY PRIMARY EFFLUENT AND ROUGHING FILTER WET WELLS

A bypass pumping system is required for cleaning and recoating of the primary effluent and roughing filter wet wells.

Recommendation: Award of contract to Charles King Company, Inc. in the amount of $88,825.00
2.4 AGREEMENT WITH THE VALLEY CENTER MUNICIPAL WATER DISTRICT FOR RADIO RELAY EQUIPMENT

Valley Center Municipal Water District has requested permission to install a radio relay on the Deer Springs Reservoir property.

Recommendation: Approve an Encroachment Agreement with Valley Center Municipal Water District

2.5 PROPOSED 2013 INVESTMENT POLICY RESOLUTION

Investment Policy of the Vallecitos Water District for the calendar year 2013.

Recommendation: Approve Resolution

2.6 QUARTERLY INVESTMENT REPORT

For information only.

Recommendation: No action required

*****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 LAFCO

3.6 DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTended

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

OTHER BUSINESS

3.1 MEETINGS

Urban Water Institute Spring Water Conference
February 20-22, 2013 – Hilton Hotel, Palm Springs, CA

*****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)
Urban Villages v. Vallecitos Water District
San Diego Superior Court Case No. 37-2012-00102327

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

5.1 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, January 11, 2013.

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

Director Martin led the pledge of allegiance.

Present: Director Evans
Director Hernandez
Director Martin
Director Poltl

Absent: Director Ferguson

Staff Present: General Manager Lamb
Assistant General Manager Scaglione
Legal Counsel Jackson
Director of Engineering & Operations Gerdes
Administrative Services Manager Taylor
Principal Engineer Gumpel
Capital Facilities Engineer Scholl
Risk Management Supervisor Janus
Water Operations Supervisor Pedrazzi
Public Information/Conservation Supervisor Urabe
Public Information Representative Yerman
Public Information Representative Webb
Human Resources Technician Anderson
Computer Technician Todd
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF JANUARY 16, 2013

13-01-04 MOTION WAS MADE by Director Poltl, seconded by Director Evans, and carried unanimously, to adopt the agenda for the Regular Board Meeting of January 16, 2013.

ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

Director Martin noted an error on page 3 of the December 19, 2012 minutes with regard to ACWA Region 10 Board representative.

13-01-05 MOTION WAS MADE by Director Poltl, seconded by Director Evans, and carried unanimously, with Director Ferguson absent, to approve the Consent Calendar as presented with the correction to Item 1.1 A of the December 19, 2012 minutes – remove “Darrell Gentry, Chair” from the Representatives List for ACWA Region 10 Board.
1.1 Approval of Minutes
   A. Regular Board Meeting – December 19, 2012
   B. Regular Board Meeting – January 2, 2013
   C. Committee Meeting of the Whole Special Board Meeting – January 7, 2013

1.2 Warrant List Through January 16, 2013 - $3,208,250.48

1.3 Financial Reports
   A. Water Meter Count – December 31, 2012
   B. Water Production/Sales Report – 2012/2013
   D. Sewer Revenue And Expense Report – December 31, 2012
   E. Reserve Funds Activity – December 31, 2012

ACTION ITEMS

ENGINEERING SERVICES AGREEMENT – MEADOWLARK WATER RECLAMATION FACILITY SOLIDS FORCE MAIN REPLACEMENT

Principal Engineer Gumpel stated that the Meadowlark Reclamation Facility (MRF) solids force main transports concentrated solids byproduct that is generated from recycled water production to the District’s land outfall for treatment at the Encina Water Pollution Control Facility. The force main is over 40 years old and has reached the end of its useful life and has been prone to several breaks over the past few years. This project involves the replacement of the entire 5,700-foot length of the 6-inch force main.

Staff prepared a scope of work and Request for Proposal (RFP) which were sent to five engineering firms that have expertise in wastewater treatment and collection systems. Proposals were received from all five firms on November 30, 2012. Staff reviewed the proposals and selected Nolte Associates, Inc. as the most qualified consultant. Staff met with Nolte Associates to discuss their proposed Scope of Work which was finalized to a not-to-exceed fee of $215,500.00.

This item was discussed at the January 7 Board Committee meeting. Staff requested the Board approve the professional services agreement with Nolte Associates in the amount of $215,500.00.

General discussion followed.

13-01-06 MOTION WAS MADE by Director Martin, seconded by Director Poltl, and carried unanimously, with Director Ferguson absent, to approve a professional services agreement with Nolte Associates, Inc., in the amount of $215,500.00.
ENGINEERING SERVICES AGREEMENT – LIFT STATION NO. 1 PUMP IMPROVEMENTS

Principal Engineer Gumpel stated that MRF has the capacity to produce 5 million gallons of recycled water per day (MGD). MRF’s recycled water production capacity is currently limited because build-out of the local collection basin has not occurred and the supply system is only able to deliver approximately 3.9 MGD of wastewater to the facility.

The Board approved the Lift Station No. 1 Pump Improvements Capital Improvement Project and authorized a budget amount of $534,000.00 at its December 19, 2012 meeting. A grant has also been received through Prop. 84 funding, which will cover approximately 75% of the construction portion. Improvements to Lift Station No. 1 will allow the conveyance of more sewer to MRF.

To expedite the project, the District has utilized and negotiated an agreement with one of its pre-approved, on-call services consultants. Based on their qualifications and recent experience, District staff met with Infrastructure Engineering Corporation (IEC) to discuss the project in more detail. A contract was negotiated in the amount of $64,735.00. The scope of work includes increasing the size of the lift station's discharge pipeline header to reduce head loss, improving the electrical service, and installing a new 1,900 gallon per minute (gpm) pump to increase the lift station’s pumping capacity to 3,100 gpm, or 3.4 MGD.

Staff requested the Board approve the professional services agreement with Infrastructure Engineering in the amount of $64,735.00

13-01-07 MOTION WAS MADE by Director Poltl, seconded by Director Evans, and carried unanimously, with Director Ferguson absent, to approve a professional services agreement with Infrastructure Engineering Corporation in the amount of $64,735.00.

AWARD OF CONTRACT FOR BYPASS PUMPING FOR CLEANING AND RECOATING OF THE MEADOWLARK RECLAMATION FACILITY PRIMARY EFFLUENT AND ROUGHING FILTER WET WELLS

Principal Engineer Gumpel stated that during routine inspection of the primary effluent channel and roughing wet wells, it was discovered that the existing coating system necessary to protect the concrete structures is failing. Staff evaluated the coating failure and determined that recoating was necessary in order to protect the existing concrete from further deterioration. As part of the recoating effort, a bypass pumping system is required to route sewer past the primary effluent channel and roughing filter wet wells. The bypass will allow the primary effluent channel and roughing filter wet wells to be cleaned and dry, allowing contractors to apply a new coating system to protect the concrete structures from deterioration.
Staff budgeted a bypass system this fiscal year in order to clean the media in one of the roughing filters. Taking advantage of the recoating work bypass, only one additional bypass system is necessary to recirculate clean water in order to flush out debris stuck in the roughing filter and media.

District staff requested bids from three contractors who specialize in bypass pumping for both the bypass work associated with recoating and maintenance. Two bids were received on January 5, 2013. Charles King Company, Inc. was the lowest responsive, responsible bidder at $86,825.00. District staff will provide inspection and construction management services for the bypass work. The District has bid out the recoating work separately and expects to bring a recommendation to the Board for the recoating work in February.

Director Martin asked for a quick explanation of the treatment process at the plant and Engineer Gumpel described the primary, secondary and tertiary components and how the sewer flow enters and leaves the facility.

Staff requested the Board award the contract to Charles King Company, Inc. in the amount of $86,825.00.

General Discussion followed.

13-01-08 MOTION WAS MADE by Director Martin, seconded by Director Poltl, and carried unanimously, with Director Ferguson absent, to award the contract to Charles King Company, Inc. in the amount of $86,825.00.

AGREEMENT WITH THE VALLEY CENTER MUNICIPAL WATER DISTRICT FOR RADIO RELAY EQUIPMENT

Capital Facilities Engineer Scholl stated that Valley Center Municipal Water District (VCMWD) wants to establish SCADA (Supervisory Control and Data Acquisition) signal for two of its potable water reservoirs east of Interstate 15, but is having difficulty in obtaining a good radio signal to the reservoirs because they do not have a direct line of sight to any of their other facilities. However, the two reservoirs do have good line of sight to the Vallecitos Water District Deer Spring Reservoir. VCMWD has requested permission to install a radio relay on the Deer Springs Reservoir property in order to boost its SCADA signal to the Jesmond Dene and Kornblum Reservoirs. The District has an existing antennae tower at the Deer Springs Reservoir that is tall enough to accommodate the radio relay equipment without interfering with our District’s SCADA equipment.

An encroachment agreement has been drafted that establishes the conditions of the radio relay construction and maintenance. VCMWD is fully responsible for the costs related to the installation, maintenance, use, repair, and removal of the equipment. The District is not liable for damage to VCMWD’s radio relay equipment on the property. In addition, the agreement can be terminated by either party for any reason by giving at
least 30 days notification. District legal counsel has reviewed and approved the agreement language.

This item was discussed at the August 6, 2012 Board Committee meeting. Staff requested approval of the encroachment agreement.

General discussion followed.

13-01-09 MOTION WAS MADE by Director Poltl, seconded by Director Martin, and carried unanimously, with Director Ferguson absent, to approve the Encroachment Agreement.

PROPOSED 2013 INVESTMENT POLICY RESOLUTION

Assistant General Manager Scaglione stated that the policy is updated each year. The only changes this year are title changes and a change from “Finance Manager” to "Treasurer or Treasurer’s designee" from the prior year’s Resolution.

Staff recommended the Board approve the Investment Policy Resolution for 2013.

13-01-10 MOTION WAS MADE by Director Poltl, seconded by Director Evans, and carried unanimously, with Director Ferguson absent, to approve the Resolution.

Resolution No. 1412 - The roll call vote was as follows:

AYES: Evans, Martin, Poltl, Hernandez
NOES:
ABSENT: Ferguson
ABSTAIN:

QUARTERLY INVESTMENT REPORT

Assistant General Manager Scaglione provided the quarterly investment report. The District purchased $1.7 million in CD's; $2.8 million in agencies; $1.5 million in commercial paper; and, $1 million in calls and maturities. Investment returns increased from .468% to .474%.

The District continues to maintain a diverse portfolio with investments in LAIF, federal agency obligations, commercial paper, FDIC backed corporate notes, the San Diego County Investment Pool, and certificates of deposit. He also reviewed the weighted average maturity in days and the relationship of liquidity to adopted reserve levels as well as investments by fund and by investment type.

This item was presented for information only.
REPORTS

GENERAL MANAGER
General Manager Lamb stated that the Board has shown an interest in touring all District facilities. The tours will be broken into three tours and will be scheduled in February, March and April.

Water Systems Supervisor Pedrazzi reported on water and sewer line breaks, as well as damage to two fire hydrants that occurred over the past few days.

DISTRICT COUNSEL
None.

SAN DIEGO COUNTY WATER AUTHORITY
General Manager Lamb stated the next Board meeting will be held on January 24.

ENCINA WASTEWATER AUTHORITY
Director Poltl stated that Committee appointments have been made for 2013. He will continue to serve on the Policy and Finance Committee and Director Hernandez was appointed to the Capital Improvement Committee.

President Hernandez stated that he attended an orientation at EWA. The next Board meeting will be held on January 23.

LAFCO
Director Evans stated that there is a Special District Advisory Committee meeting on the 18th, however, she will be attending the CASA Conference on this same date.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED
Director Martin provided an oral report on his attendance to the Council of Water Utilities meeting January 15, 2013.

OTHER BUSINESS
None.

CLOSED SESSION
CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (ONE CASE)
Minutes of the Vallecitos Water District Regular Meeting
January 16, 2013

Urban Villages v. Vallecitos Water District
San Diego Superior Court Case No. 37-2012-00102327

13-01-11 MOTION WAS MADE by Director Poltl, seconded by Director Martin, and carried unanimously, with Director Ferguson absent, to move into Closed Session pursuant to Government Code Section 54956.9(a).

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at the hour of 5:52 p.m. The Board, in Closed Session, directed Legal Counsel to take appropriate action.

ADJOURNMENT

There being no further business to discuss, President Hernandez adjourned the Regular Meeting of the Board of Directors at the hour of 5:53 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, February 6, 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