AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, JANUARY 8, 2014, AT 4:00 P.M.
AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT MARTIN

PLEDGE OF ALLEGIANCE – PRESIDENT 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 8, 2014

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 10, 2013

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

1.2 WARRANT LIST THROUGH JANUARY 8, 2014 - $3,352,668.98

Recommendation: Approve Warrant List
1.3 FINANCE REPORTS

A. WATER METER COUNT – NOVEMBER 30, 2013
B. WATER PRODUCTION/SALES REPORT – 2013/2014
C. WATER REVENUE AND EXPENSE REPORT – NOVEMBER 30, 2013
D. SEWER REVENUE AND EXPENSE REPORT – NOVEMBER 30, 2013
E. RESERVE FUNDS ACTIVITY – NOVEMBER 30, 2013

1.4 FINAL ACCEPTANCE FOR SAN ELIJO HILLS PHASE 3, P.A. “K”, UNIT 17 (SAN ELIJO HILLS DEVELOPMENT COMPANY, LLC)

Recommendation: Final Acceptance

1.5 WINTER 2014 SPLASH! – VALLECITOS WATER DISTRICT QUARTERLY NEWSLETTER

Recommendation: Approve the Winter 2014 SPLASH Newsletter

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

ACTION ITEMS

2.1 ENERGY MANAGEMENT STUDY PRESENTATION

Recommendation: For Information Only

2.2 FINANCIAL DASH BOARD PRESENTATION

Recommendation: For Information Only

2.3 REVISED DEBT MANAGEMENT POLICY RESOLUTION

The District’s existing debt management policy has been reviewed and revisions are proposed.

Recommendation: Adopt Resolution

*****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
- Capital Improvement Committee
- Policy and Finance Committee

3.5 DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

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

OTHER BUSINESS

4.1 MEETINGS

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

5.1 DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

*****END OF DIRECTORS COMMENTS/FUTURE AGENDA ITEMS*****

CLOSED SESSION

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

*****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, January 3, 2014.

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

Principal Engineer Gumpel led the pledge of allegiance.

Present: Director Evans
Director Hernandez
Director Poltl
Director Martin

Staff Present: General Manager Lamb
Assistant General Manager Scaglione
Legal Counsel Scott
Director of Engineering & Operations Gerdes
Administrative Services Manager Emmanuel
Finance Manager Fusco
Financial Analyst Vuoso
Accounting Supervisor Owen
Water Operations Supervisor Pedrazzi
Public Information Representative Webb
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF JANUARY 8, 2014

14-01-01 MOTION WAS MADE by Director Hernandez, seconded by Director Evans, and carried unanimously, to adopt the agenda for the Regular Board Meeting of January 8, 2014.

ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

President Martin questioned page 8 of the December 10, 2013 minutes relative to the motion for the FOG Program Ordinance item. He stated that the intent of his motion was to suspend the fee portion for six months and then bring the item back to the Board for reconsideration.

14-01-02 MOTION WAS MADE by Director Hernandez, seconded by Director Evans, and carried unanimously, to approve the Consent Calendar as presented with the correction to be made to the December 10, 2013 minutes as stated.

1.1 A. Regular Board Meeting – December 10, 2013
1.2 Warrant List through January 8, 2014 - $3,352,668.98

1.3 Finance Reports

   A. Water Meter Count – November 30, 2013
   B. Water Production/Sales Report – 2013/2014
   D. Sewer Revenue and Expense Report – November 30, 2013
   E. Reserve Funds Activity – November 30, 2013

1.4 Final Acceptance for San Elijo Hills Phase 3, P.A. “K”, Unit 17 (San Elijo Hills Development Company, LLC)

1.5 Winter 2014 Splash! – Vallecitos Water District Quarterly Newsletter

President Martin requested clarification on the warrant list with respect to Manpower Temp Services, Thomas Potter, Hawthorne Machinery Co., J.C. Ehrlich Co. to which staff responded.

**ACTION ITEMS**

**ENERGY MANAGEMENT STUDY PRESENTATION**

Principal Engineer Gumpel stated that the District began the energy management study endeavor approximately three years ago taking advantage of a SDG&E program which paid for the majority of the program. He facilitated the presentation as follows:

- Program purpose and goals
- Program methodology/process
- 2011/2012 cost metrics summary
- Annual energy cost per facility type
- Annual energy cost for selected facilities
- Annual energy cost breakdown for selected facilities
- Energy conservation opportunities summary
- Future energy trends (what does it mean for the District)
- Future potable water flow projections
- Future wastewater flow projections
- Energy use and cost projections methodology
- Theoretical pump/lift station illustrating future energy projections
- Summary of future energy cost projections
- Summary of future energy cost projections – potable water facilities
- Summary of future energy cost projections – wastewater facilities
- Energy portion of unit price ($/MG) potable water and wastewater facilities
- Future energy conservation and sustainability design guidance
General discussion took place. This item was for information only.

FINANCIAL DASHBOARD PRESENTATION

Financial Analyst Vuoso stated that this project evolved due to a lot of critical data maintained in the District’s system that can be found in multiple locations. Some of these pieces of information may have multiple sources which could result in individuals maintaining different pieces of information for their own needs. He facilitated the presentation as follows:

- Reviewed different options/solutions to develop a definitive centralized location to examine key operational and financial data to facilitate decision making
- Explained what a Dashboard is/accomplishes
- Application alternatives
- Pros and cons associated with each option
- Identifying users and information to be contained in the Dashboard
- Validating data and source for each item
- Designing query options and Dashboard output such as charts, tables, etc.

General discussion followed. This item was presented for information only.

REVISED DEBT MANAGEMENT POLICY RESOLUTION

Assistant General Manager Scaglione stated that the existing policy called for annual reviews. Annual reviews are not necessary considering the frequency of debt issuances and the fact that the policy considers varying market conditions. The revision from annual to periodic provides more flexibility. When a significant issuance is contemplated, the policy will be revisited. The revised policy changes the District’s hedge position from 150% of reserves to a more conservative 125%.

Staff recommended the Board approve the resolution.

14-01-03  MOTION WAS MADE by Director Poltl, seconded by Director Hernandez and carried unanimously, to adopt the Resolution.

Resolution No. 1438 - The roll call vote was as follows:

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

REPORTS
GENERAL MANAGER

General Manager Lamb stated that today’s news clippings from the San Diego County Water Authority contained sixteen news articles, fourteen of which were related to drought. No action has been taken by the San Diego County Water Authority. He has directed staff to begin reviewing existing policies with respect to drought management and drought rate structure.

General Manager Lamb stated that the Notice of Vacancy for Division 4 was posted and three applications were received. A special Board meeting was scheduled for January 13 to conduct the interviews.

DISTRICT COUNSEL

Legal Counsel Scott reported on SB 751 which was signed into law and requires all legislative bodies to publicly report on any action taken in any meeting and the vote or abstention on that action of each member present and note that it be reflected in the minutes.

Legal Counsel Scott also reported on a recent appellate case (Reuters vs. Regents of the University) relating to the public records act where the court held that public agencies are not required to produce records that it does not prepare, own, use or retain in the normal conduct of the agency’s business.

SAN DIEGO COUNTY WATER AUTHORITY

Director Evans stated that the Water Authority will be holding a Public Hearing at 6:00 p.m. to address three related draft documents related to strategic directions through 2035.

ENCINA WASTEWATER AUTHORITY

Director Hernandez stated that the Capital Improvement Committee meeting will be held on the 15th and Board meeting will be held on the 22nd.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

None.

OTHER BUSINESS

President Martin stated that the meeting will be held on the 13th to interview the three applicants for Division 4 and reviewed the process that would take place at the meeting.

President Martin called for a Public Awareness/Personnel/Policy Committee meeting to be scheduled to discuss public outreach.
DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

President Martin requested that the Special District Leadership Foundation (SDLF) Transparency Certification item be placed on the next agenda.

General Manager Lamb responded stating that since the website went live last month, staff contacted Michael Ott, Executive Officer with LAFCO and Kimberly Thorner, General Manager with Olivenhain Municipal Water District, who both has agreed to serve on the independent peer review panel. The peer view is being coordinated by Assistant General Manager Tom Scaglione and Public Information Supervisor Lisa Urabe. Once the peer review has been completed, the application will be submitted to SDLF who actually issues the Certification of Transparency. Therefore, there is no further action to be taken by the Board at this time.

General Manager Lamb further stated that the SDLF also offers a separate Board certification which requires the completion of 4 training sessions by all Board members.

President Martin asked when the proposed policy change deferring capacity impact fees will be brought back to the Board.

General Manager Lamb stated that this item had been deferred to the first part of this year. This item will be placed on the February 5 Board agenda.

President Martin asked about getting copies of presentations earlier than at the Board meeting.

General Manager Lamb stated that at the same time these documents are provided to the Board they need to be made available to the public.

CLOSED SESSION

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

14-01-04 MOTION WAS MADE by Director Hernandez, seconded by Director Evans, and carried unanimously, to move into Closed Session pursuant to Government Code 54957.

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at the hour of 6:30 p.m. The Board, in Closed Session, discussed the evaluation of the General Manager and continued the evaluation to the next regularly scheduled meeting.
ADJOURNMENT

There being no further business to discuss, President Martin adjourned the Regular Meeting of the Board of Directors at the hour of 6:31 p.m.

A Special Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, January 13, 2014, at 4:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

Hal J. Martin, President
Board of Directors
Vallecitos Water District

ATTEST:

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