CALL TO ORDER – PRESIDENT MARTIN

PLEDGE OF ALLEGIANCE

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 FEBRUARY 5, 2014

PRESENTATIONS

Debbie Biggs, Director of Operations for Encina Wastewater Authority (EWA), will provide a presentation on EWA’s PureGreen Project.

Collections Department Presentation.

President Martin will present Systems Collection Supervisor Braden McCrory, on behalf of the District, with the Collection System of the Year Award from the California Water Environment Association San Diego Section.

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. PUBLIC AWARENESS/PERSONNEL/POLICY COMMITTEE MEETING – JANUARY 20, 2014
B. REGULAR BOARD MEETING – JANUARY 22, 2014

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

1.2 WARRANT LIST THROUGH FEBRUARY 5, 2014 – $1,805,891.96

Recommendation: Approve Warrant List

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

ACTION ITEMS

2.1 TIMING OF PAYMENT OF WATER AND WASTEWATER CAPITAL FACILITY FEES

Current policy allows for payment of fees at time of building permit issuance for various types of development.

Recommendation: Request Board direction

2.2 BOARD OF DIRECTORS PUBLIC OUTREACH

Board outreach to customers of the District.

Recommendation: Request Board direction

2.3 SAN MARCOS STATE OF THE CITY ADDRESS – MEETING ATTENDANCE PER DIEM/EXPENSE REIMBURSEMENT APPROVAL

The City of San Marcos is not on the list of organizations for which meetings are considered compensable under District Ordinance 190. Prior approval for per diem and expense reimbursement is required.

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
- Capital Improvement Committee
- Policy and Finance Committee

3.5 DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

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

OTHER BUSINESS

4.1 QUARTERLY BOARD EXPENSES

For information only.

Recommendation: No action required

4.2 MEETINGS

WateReuse California Annual Conference
March 16-18, 2014 - Marriott Hotel – Newport Beach, CA

*****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.

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 3:00 p.m., Friday, January 31, 2014.

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

Systems Collection Worker Craig Durban led the pledge of allegiance.

Present: Director Evans
Director Hernandez
Director Poltl
Director Sannella
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
Principal Engineer Gumpel
Accounting Supervisor Owen
Water Operations Supervisor Pedrazzi
Risk Management Supervisor Janus
Public Information/Conservation Supervisor Urabe
Public Information Representative Yerman
Engineering Technician Koonce
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF FEBRUARY 5, 2014

14-02-01 MOTION WAS MADE by Director Hernandez, seconded by Director Evans, to adopt the agenda for the Regular Board Meeting of February 5, 2014.

The vote was as follows:

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

PRESENTATIONS

The PureGreen Project presentation by Debbie Biggs, Director of Operations for Encina Wastewater Authority, was cancelled due to jury duty service. The presentation will take place at the February 19 Board meeting.

Braden McCrory, Systems Collection Supervisor, facilitated the presentation as follows:
Minutes of the Vallecitos Water District Regular Meeting  
February 5, 2014  

- Employees currently in the Department  
- Department facts  
- Sulfide testing  
- Reasons for odor control and sulfide sampling  
- Department vehicles  
- Department line cleaning schedule  
- Enhanced maintenance areas  
- CCTV inspection unit (camera van)  
- Department confined space truck  
- Department spill response trailer  
- Smoke testing  
- Department rounds (i.e. stations and flow meter check, systems checks, sulfide and carbon samples, customer concerns)  
- Department goals  

This presentation was provided for information only.

President Martin presented Braden McCrory, Systems Collection Supervisor, with the Collection System of the Year award from the California Water Environment Association San Diego Section.

**ORAL COMMUNICATIONS**

Michael Hunsaker, member of the public, addressed the Board stating that it is no news that we are in a drought situation and there are also large development plans underway. There are also recent and not so recent reports that the Colorado River, which we are dependent upon, is over-subscribed. Last year he thought he heard that 50-60 miles of head waters were dry. Even though we are getting much more rain, all we are doing is partially recharging the losses. There are also reports that, because of the solar cycles, we can expect possibly 20 – 40 more years of drought. Under these conditions, it would be appropriate probably to just put a moratorium on new large developments until such time as we start seeing some rains to recharging our California situation. He is also sure they have seen the very dramatic pictures from the NASA satellite of the pre-drought and the present drought condition of our state. He believes it is prudent and wise that if we are going to ask people to start conserving, that we don’t add to the burden that the City and District must bear by putting in large developments with their corresponding high water usages. He thanked the Board.

**CONSENT CALENDAR**

1.1  
A. Public Awareness/Personnel/Policy Committee Meeting–January 20, 2014  
B. Regular Board Meeting – January 22, 2014  

1.2 Warrant List through February 5, 2014 - $1,805,891.96
MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, to approve the Consent Calendar as presented.

The vote was as follows:

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

Director Evans asked about the California Department of Forestry/Fire Protection and what area the work took place, to which staff responded.

ACTION ITEMS

TIMING OF PAYMENT OF WATER AND WASTEWATER CAPITAL FACILITY FEES

General Manager Lamb stated that this issue has been discussed at two previous meetings during which representatives of both the development industry and the Building Industry Association addressed the Board with the basic premise presented being fee deferral. The District does not set or establish conditions of development and references made regarding the Mitigation Fee Act do not apply to the District. Water and Wastewater Capacity Fees are collected in accordance with Government Code Section 66013 and not Government Code Section 66007 that was referenced. The District sets the terms of service, which includes payment of Capital Facility Fees. Accordingly, this is a payment timing issue, which is the basis of existing District policy, and not a deferral issue.

Payment of the Capital Facility Fees is a timing issue, not a fee deferral issue and instruments of credit, set aside letters, lien agreements, or any other credit vehicles to postpone payment of fees are not necessary. Concerns of payment in adequate time are only complicated by the use of any of the referenced instruments and actually increase the potential for issues arising with the coordination of collection of the Capital Facility Fees and commencement of service, final inspection or occupancy.

A draft Resolution was developed for Board consideration that requires collection of Capital Facility Fees, based upon the type of development project, prior to final building inspection or what is termed release for utility purposes. The District must work with five permitting agencies that have different processes and terminology. The draft Resolution includes language to allow flexibility in developing procedures with the agencies for payment prior to final building inspection.

Verbiage is also included confirming that no commitment or reservation of either water or wastewater capacity is provided by issuance of a building permit and service is contingent upon the rules and regulations in place at the time the applicant pays the Capital Facility Fees. This is consistent with the District’s current development
agreement, Drought Management Policy and Capital Fee collection on behalf of the San Diego County Water Authority.

Mr. Hunsaker, member of the public, addressed the Board stating that as Chairman of the Property Owner Defense League, they promote private ownership property rights, but they also protect or are concerned about defense of existing property rights for existing residents. They are opposed generally to any relaxation of fee requirements that indirectly or directly increase risk to existing occupant owners. They would like to make sure that it is understood that they reject the argument that this is a financial benefit to the community. If you have a developer and he receives any benefit at all, that is direct or indirect subsidy. These they are opposed to, generally because it comes at the expense of the public. There are some arguments that by deferring payments, it decreases cost. That is true, but that is still a subsidy and it is either an economic advantage to the developer in that they increase their bottom line, or it gives them economic advantage in lowering their costs and getting them a competitive advantage in the marketplace. Both of those, he thinks, are inappropriate in addition to the increased risk aspect. Having a fee charged at the time of permit and making sure the rules are fairly close to what preceded is, he believes, is in the best public interest. He thanked the Board.

Michael McSweeney, Senior Public Policy Advisor for the Building Industry Association, thanked the Board stating that he knew some of them may have had concerns. He thinks that this is a smart policy move. As the General Manager said, you can bring it back in a year to look it over. But they feel it’s a needed component for their industry. There is a number of their members here in the audience and just wanted to say thank you for considering doing this and giving it a chance.

General discussion followed.

14-02-03 MOTION WAS MADE by Director Evans, seconded by Director Hernandez, to adopt the Resolution and that this item be brought back to the Board for review in one year.

Resolution No. 1441 - The roll call vote was as follows:

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

BOARD OF DIRECTORS PUBLIC OUTREACH

General Manager Lamb stated that the Strategic Plan includes Strategic Focus Area No. 5, Public Education and Outreach. The 2017 Business Plan includes 12 objectives to this goal and has been included in the quarterly updates provided to the Board.
The Public Awareness/Personnel/Policy Committee (Committee) met on January 20, 2014, for the purpose of discussing Board outreach to the customers of the District. Minutes of the Committee meeting are included in the Board package for reference.

The main goal of the Committee was to develop programs; including handouts and power point presentations that the Board could utilize that would ensure a consistent message between Board members when speaking on behalf of the District. An additional specific task was that the District should be proactive in reaching out to customers beyond the activities listed in the Business Plan.

The Committee members briefly discussed the program approach and scope with the Board, including requesting general direction from the Board to develop the program and bring it back for Board consideration and approval.

General discussion followed. During general discussion, the consensus was that this item be discussed further at the upcoming Board Workshop.

President Martin stated that he was asked by the San Marcos Lions Club to speak to their group about water. He plans to discuss only what he has learned here in the past year. There was no objection by the Board in President Martin speaking to the Lions Club.

SAN MARCOS STATE OF THE CITY ADDRESS – MEETING ATTENDANCE PER DIEM/EXPENSE REIMBURSEMENT APPROVAL

General Manager Lamb stated that the City of San Marcos is not on the list of organizations for which meetings are considered compensable under District Ordinance 190. Prior approval for per diem and expense reimbursement is required.

General discussion followed.

14-02-04 MOTION WAS MADE by President Martin, seconded by Director Evans, to authorize expense reimbursement only for attendance at this function.

The vote was as follows:

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

REPORTS

GENERAL MANAGER
General Manager Lamb stated that the District has received an award from the ACWA/JPIA for extremely low premiums in 2013 related to accidents, injuries and claims paid out.

DISTRICT COUNSEL

Legal Counsel Scott reported on a recent case that came down last month that is helpful to public agencies relating to Proposition 218 Notice requirements. The case is Morgan vs. Imperial Irrigation District and the legal issue was whether the Irrigation District was required to conduct separate protest elections for each different rate class when it adopted new water rates. The court held that there was no legal requirement that prohibits public agencies from holding a single protest hearing and election.

SAN DIEGO COUNTY WATER AUTHORITY

Director Evans reported on the Board meeting at which the topics of discussion included the drought and Cost of Service Study. She read an excerpt from a letter by Tom Wornham, SDCWA Board Chairman, which included that Metropolitan Water District (MWD) began its public rates setting process for 2015 and 2016 and is proposing rate increases of 1.5% per year. They are proposing these increases in the wake of two years of excessive revenue collection by MWD in which MWD collected $600 million more than it needs to meet all of its budget requirements. MWD’s cash reserves in its rate stabilization fund are projected to reach $800 million this fiscal year, which is $320 million above its maximum reserve limit. Fourteen City Mayors sent a letter to the Mayors of the more than 140 cities in MWD’s service area alerting them to the issues and asking them to engage at MWD.

ENCINA WASTEWATER AUTHORITY

Director Poltl stated the next Policy and Finance Committee meeting will be held on February 11.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

None.

OTHER BUSINESS

Quarterly Board Expenses

This information was provided per Ordinance 190; no action required.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Evans stated that she enjoyed the Between the Pipes employee newsletter. She further stated that the water smart website is great and everyone should look at it.
She also stated that the Water Smart website is a wonderful site with a lot of great things to promote.

CLOSED SESSION

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

14-02-05  MOTION WAS MADE by Director Evans, seconded by Director Hernandez, to move into Closed Session pursuant to Government Code 54957.

The vote was as follows:

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

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at the hour of 7:30 p.m. The Board, in Closed Session, completed the annual evaluation of the General Manager.

ADJOURNMENT

There being no further business to discuss, President Martin adjourned the Regular Meeting of the Board of Directors at the hour of 7:31 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, February 19, 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