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. WATER OPERATIONS PRESENTATION
2. ORDINANCE NO. 178, PER DIEM REVIEW
3. COST TO TELEVISE BOARD MEETINGS
4. SELECT ATTENDANCE AT PUBLIC OUTREACH EVENTS
5. COST OF SERVICE STUDY UPDATE
6. REIMBURSEMENT POLICY, ORDINANCE NO. 161
7. CITY OF SAN MARCOS MEETING UPDATE

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

OTHER BUSINESS

*****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.

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 1:00 p.m., Thursday, February 7, 2013.

Diane Posvar
President Hernandez called the Committee meeting to order at the hour of 1:00 p.m.

Present:  
Director Evans  
Director Ferguson  
Director Martin  
Director Poltl  
Director Hernandez

Staff Present:  
General Manager Lamb  
Assistant General Manager Scaglione  
Legal Counsel Scott  
Director of Engineering and Operations Gerdes  
Administrative Services Manager Emmanuel  
Finance Manager Fusco  
Principal Engineer Gumpel  
Water Operations Supervisor Pedrazzi  
Water Systems Operator Minichilli  
Public Information/Conservation Supervisor Urabe  
Public Information Representative Webb  
Public Information Representative Yerman  
Executive Secretary Posvar

ORAL COMMUNICATIONS

None.

COMMITTEE ITEMS

WATER OPERATIONS PRESENTATION

Water Systems Operator Minichilli facilitated a presentation on the Water Operations Department which included the following topics:

- Overview of the department
- Water quality sampling
- Water treatment
- Nitrification
- SCADA operations
- Monitoring
- Tank and reservoir status
- Pump station overview
- San Elijo Hills monitoring
- Cla-Val
- Chlorine injection and future considerations
- South Lake
ORDINANCE NO. 178, PER DIEM REVIEW

General Manager Lamb stated that he was requested to bring this item back before the Board. At the January Board Committee meeting, the Board discussed adding attendance to SMEDC and SDNEDC back onto the list of approved meetings for attendance. During that conversation, the Board requested a current status on per diem rates with other agencies.

General Manager Lamb presented and reviewed Exhibit A which identified historic COLA allowances and allowable per diem rate increase. The law that governs per diem rate changes allows for a simple 5% change, not compounded, per year. He also presented and reviewed the most recent per diem rate survey of SDCWA member agencies which was conducted in April 2012. The survey results concluded the average per diem rate is $145.49 and the median per diem rate is $150.

Should the Board consider changing the per diem rate, specific public notice requirements must be complied with. Public notice requirements include notice in local newspaper two weeks in advance, a public hearing, and has a 60-day period after the adoption of any rate increase before it could take effect.

President Hernandez clarified that all of the COLA’s listed in Exhibit A adds up to 34.46%, not 65% as noted in Exhibit A.

General discussion followed. Director Martin stated that if the Board hasn’t had a raise in 12 or 13 years, this is not a non-profit. The amount of time required for this, the education, the homework prior to a meeting, the amount of interface with staff is huge as compared to other things he has sat on for pay and as a non-profit. This not being a non-profit, he sees no reason why the Board shouldn’t allow itself a pay raise. He feels the Board is worth it and that the District can afford it. He enquired as to the budget impact.

General Manager Lamb stated that if the per diem rate were to be increased $25, at the maximum limit of ten meetings per month per Board member, the maximum increase per year would be approximately $16,500.
Director Martin stated that this is a pittance compared to all the responsibility this Board actually has. He stated that if one doubled this to $50, it would be $200. He would have no problem with that.

Director Evans stated that, on a sensible basis, to say you haven’t had a raise in 13 years, you should certainly feel like it is appropriate; that it is not an unusual request. However, just because it was allowed, doesn’t mean you need to take it. She asked that, being a new Board member, she would like to hear what the current Board members had to say on working under this at $150. It isn’t like the other districts where incredibly low. She stated that we’re not at the high end, but she has put in a lot of time. Would she not put in the time for the job if she didn’t get the money? No, she would still do what is required of her. She has mixed emotions on this and can see there are reasons to believe it’s appropriate, but is that where she would want to spend the ratepayers money, she doesn’t know.

Director Ferguson stated that she has maintained they should do a cost of living increase every year, but that she did not get support from the rest of the Board members. She asked what dollar amount Directors Martin and Evans were talking about.

Director Martin stated that he was looking at $200, Director Evans stated that she didn’t have an amount in mind. President Hernandez stated he was thinking $175.

Director Martin stated that he read the letter General Manager Lamb sent in response to the UT questionnaire, which was very good and makes the argument for the Board.

Director Ferguson confirmed whether or not a Public Hearing is required if doing a cost of living increase.

Legal Counsel Scott stated that yes, a Public Hearing would still need to be held and would need to be noticed in the local newspaper prior to the Public Hearing.

Director Poltl stated that while the Board hasn’t received a raise in quite some time, since he has been on the Board, the Board has been asking a lot of the employees and doing nothing but trimming and cutting back. Plus, the other things that are going on outside of this area having to do with the normal economy. Yes, the Board puts in a lot of time, but if you read some articles in the newspaper, the Board shouldn’t be paid anything; that they are public servants and should all be volunteering. He stated he doesn’t agree with this, however, they are getting a lot such as health insurance, the median per diem rate, and to him this is fine. He doesn’t think he would support a raise.

President Hernandez stated that his view is somewhere in the middle relative to the amount. He personally doesn’t consider this to be a raise. They have been deferring the cost of living and staff is still being given the cost of living, even when the Board has cut and reduced. The basic elements that have continued to go up these 13 years, to
ask for an addition for the cost of living is quite acceptable, whether it’s $25 or $50. He also stated that whatever is decided, he would like to see this continue; if staff get a cost of living increase, the per diem should be increased at the same time.

Legal Counsel Scott stated that the Board would have to go through the same Public Hearing/Public Notice process every year.

President Hernandez requested that a motion be made for this item.

Motion was made by Director Martin, seconded by President Hernandez, to recommend to the full Board consideration in approving a one-time increase of $50 to bring the per diem up to $200 versus the $150. The motion carried with Directors Martin, Hernandez and Ferguson supporting the motion. Directors Poltl and Evans opposed the motion.

COST TO TELEVISE BOARD MEETINGS

General Manager Lamb stated that staff contacted the local cable company and was told that the District could not have its own channel.

Director Ferguson stated that she read the report and cannot justify and cannot support going on T.V., especially with some of the costs inherent with getting cable, connections with Palomar and with the City. She commended staff on the very thorough report, but to her, for what the ratepayers are going to have to pay for this, it is not going to be worth it.

Director Martin stated that he understands where Director Ferguson is coming from. For many years, he came from an era that they didn’t have television at his former job and thought it was a waste of time and waste of money. After it became a reality and it happened, he was surprised the amount of people that do watch it and do get some information from that. He stated that one of the reasons he ran was for transparency. Televising, or putting this out there somehow, is as transparent as one can get. He would include these Board Committee meetings as well as the Board meetings. As for reaching out to people, he feels one televised meeting would get rid of all that. People could see on televised meetings how it is done and that it is not hocus pocus. He further stated that if the Board meetings are not televised, in order to have transparency that he feels the Board needs to have, he will push very hard to have all the meetings moved to 6:00 p.m. so that the public can get to the meetings vs. the middle of the day and mid-afternoon when a lot of the general public can’t. He feels this is one of the big things that was out in the campaign and that this is what people want, transparency.

Director Evans stated that she agrees with what Director Martin said, especially on the transparency. She understands where Director Ferguson is coming from, but she does realize that if they want to be transparent and want to be open, the easiest way in today’s world is if people can watch it on T.V. She feels that if it is there, they will find that people will watch it and people will see and learn. She knows it’s a huge amount of money, yet she knows that it could be argued that no other district is doing it. She feels
this Board has been very good at doing a lot of things cutting edge when other Boards didn’t. She feels the Board should go for it in a reasonable way. She feels the Board has a big responsibility. She disagrees that it would eliminate our outreach program because she feels that the outreach that is being done by staff is entirely different. She feels that we need to be there for the young, need to educate them coming up, that they are going to be aware of what water and how to use it. She doesn’t believe that people don’t come to the meetings because they are not interested. She feels the meetings are at a difficult time, especially this one. She also feels that if we can’t do this at this time, she strongly thinks the meetings should be at a time when the public can be there; 6:00 pm is fine.

Director Poltl stated that he agrees with Director Ferguson and feels there is a better way for the Board to spend money; this is a lot of money. He stated that he has yet to hear that the meetings are inaccessible because they are at 4:00 p.m. When he came on the Board, they were at 4:00 p.m. and has never heard anything. He doesn’t think it has anything to do with transparency because we have nothing to hide. Customers can go to our website, can read our minutes, and they can come to the meetings. He would be opposed to spending that kind of money for television.

President Hernandez stated that he thinks there are various solutions that were presented in the report. He stated that he would also like to have staff look into what the opportunities are to associate with Palomar College’s studio to perhaps have someone come and video record the meetings. The cable connection would not be needed and the videos could be placed on the website. He feels there is more information that will be necessary to make any kind of decision.

General Manager Lamb stated that the unknown is with the bandwidth transmission. The options are an evolving issue. If we choose to go with just audio on the website, this would be an easy task. Having one static camera installed would not be able to zoom in or out or view at different angles. It would be similar to a traffic camera. As it is now, the options are either a static camera or a full system. Per the consultant’s quote, a full system would range between $200,000 – $300,000. The suggestion to contact Palomar College and inquire on the possibility of utilizing their students to video the meetings would be a viable possibility. The only difference would be that it wouldn’t be a live feed of the meetings.

Director Martin stated that Metropolitan Water District and San Diego County Water Authority (SDCWA) have a plethora of tapes on water that can be watched. Palomar and the City Channel is in need of live air time. They could be doing all types of Metropolitan and SDCWA tapes on their channel as well. There is a huge educational group of people out there. He feels it has worked in other segments and should work here. Another avenue to look at is all the public service announcements that one has to keep that live T.V. or live for Palomar’s sake. More conversation with Palomar and the City would be good. Director Martin indicated that he was fine with recorded tapes of the meetings being shown and it did not have to be live.
General Manager Lamb stated that staff didn't feel they would be opposed to it, it's more a matter of do we get the signal, separate cable, lease capacity on Palomar's cable, etc. The matrix is large. There are many options to proceed with, it's a matter of which direction the Board would like staff to go.

President Hernandez stated that Palomar may have a curriculum already in place where they are looking for filming opportunities. Discussion continued on the benefit of live feed, airing of taped meeting on T.V. versus video of a taped meeting being placed on the website.

The Board Committee directed the General Manager to explore additional options available through Palomar other than just a live broadcast and return to the next Board Committee meeting with an update as well as what the cost may be.

**SELECT ATTENDANCE AT PUBLIC OUTREACH EVENTS**

Public Information/Conservation Supervisor Urabe stated that historically, staff has conducted a lot of outreach at street fairs. As staff has evolved, and the District's mission has gone in a different direction, staff has gone with a lot of other areas of outreach. Although these events provide an opportunity for an introduction of the District, turn-out is often low or unpredictable. Some of the other outreach is becoming very successful, the Water Academy Tours specifically. Staff is also working on creating videos and has spoken with the City of San Marcos about getting these on their channel. These things take time and staff is spending a lot of additional time going to the weekend events, which involve preparation time as well. It is taking staff time away that could be used on what she feels is more pertinent outreach.

A compiled list of all weekend/street fair type of events was presented for discussion and direction on which events can be discontinued. Specific events with minimal benefit to the District were discussed as well as the events that are successful.

Director Martin suggested that staff use the water faucet display at the Because I Care Community Fair/Fire Department Open House and have the booth inside the fire station or outside the yard as this would attract a lot of people.

Director Evans stated that some of the events listed just don't operate well, even for the organization putting them on. Nobody shows and there is so much competition. She feels part of it is deciding how many people are attracted to the booth. Where they weren't, staff needs to look at how many people were there before it's just an automatic discontinue at the event. Staff need to think of not just what the event is, but what is the potential there and how did staff fail to capture the potential. Maybe the water faucet needs to be there all the time.
Director Ferguson recommended that all the events which staff have requested to be discontinued to be eliminated as well as the Kiwanis Christmas parade. She stated that staff knows better who is responding and trusts staff’s recommendation 100%.

Director Martin stated that between the March and October Chamber festivals, there will only be one this year and is not sure which one will remain. He further requested that staff think about the Fire Department Open House. It is the busiest day in San Marcos at any time. Staff needs to be positioned inside the fire station and not in the outer area where nobody goes out to.

Director Ferguson clarified to Director Martin if staff has the choice on his recommendation, at which he said yes. Director Ferguson amended her recommendation to include the Fire Department Open House if staff is able to have a booth inside the facility.

The Board Committee consensus was to support Director Ferguson’s amended recommendation to include the Fire Department Open House.

Public Information/Conservation Supervisor Urabe also provided an update on previous winners of the landscape contest as well as an update on the free rain barrel give-away program. She presented pictures of the winners’ landscapes at the time of the contest and how they look now. All properties have been maintained similarly. Of the individuals who received a free rain barrel, staff was able to make contact with 41 of the barrel recipients. Twenty-five of those installed their barrel and 16 did not. Those individuals that installed their rain barrel indicated they loved the program and are happy with the product. Those that did not install the barrel had a variety of reasons for not doing so such as it being an eyesore (would prefer better color), issues with placement of the rain barrel, fencing issues, rain gutter issues, algae concerns, HOA rules, etc. She further stated that when the District’s new website is up and running, online registration will be available and will include criteria to follow in order to receive a barrel. Staff will hold another rain barrel event and the City of San Marcos is interested in participating again, however, the City needs to wait for the new fiscal year.

COST OF SERVICE STUDY UPDATE

Assistant General Manager Scaglione stated that at the January Board Committee meeting, staff briefed the Board on the Cost of Service Study that will be conducted. An RFP was sent to four consultant firms of which two have responded. Staff reviewed the proposals and selected Black and Veatch to pursue. Staff met with consultants from Black & Veatch today to review the scope and provide them the opportunity to ask questions about the scope of the engagement. This engagement is to satisfy the Strategic Plan focus area objective of ensuring our rates are adequate to fund operations and have enough for replacement as well. Black and Veatch did come in lower than the other firm. Both firms had very good proposals, however, staff is leaning
towards Black and Veatch’s proposal. This item will be brought to the next Board meeting with a recommendation.

General discussion followed. Director Martin asked if consultants who we write the check to get the results they want or is it just a report to say we should increase the rates?

Assistant General Manager Scaglione stated that staff is not asking the consultant to make a recommendation on a whole new rate structure. The scope is well defined and includes direction to study the District’s current rate structure, validate what we are doing, or recommend something different. It is another set of eyes to verify if the costs are being allocated correctly, rates are equitable, or can we be doing something that is more equitable. Staff is looking for a recommendation from the consultant and to see if we can be doing something better.

General Manager Lamb stated, that as presented at the last Committee Meeting, a Cost of Service Study and the nexus of cost for benefit is required by the State Constitution. This study does not apply to capacity fees. The study is to ensure that cost allocations are correct. The District needs to have nexus of cost of service for the rates charged and services provided. The District currently offers the “frugal user” incentive for customers who use 5 units or less. Under a California Proposition, different classes of customers cannot be created that receive the same service. This will be a policy issue that will be coming forward.

This item was presented for information only.

REIMBURSEMENT POLICY, ORDINANCE NO. 161

Director Ferguson stated that she went through the document and asked if staff could redo the document in a red-line version which would clearly outline what is proposed for removal and addition.

General Manager Lamb stated that the last time this item was presented to the Board Committee, Director Hernandez had requested certain changes and the Board asked him to bring back a comparison of the two policies, however, the item died with no action at that time. Based on this, it wasn’t known what items to put in the strikeout or add to the Ordinance. This document was presented today to determine that.

President Hernandez stated that he believed what Director Ferguson was requesting is that the General Manager add the items he had enumerated at that meeting into the ordinance so they could be compared in one document. Director Ferguson confirmed.

For the benefit of the new Board members, President Hernandez provided a brief history on the progress of this ordinance to date. General Manger Lamb elaborated on the history of this policy. General discussion on this policy followed.
This item will be brought back to the next Board Committee meeting with the changes as requested.

CITY OF SAN MARCOS MEETING UPDATE

President Hernandez asked the Board members to submit any items they would like added to the meeting agenda to the General Manager. President Hernandez stated he will be meeting with Mayor Desmond for discussion and request that any items they have be sent to the City Manager. The agenda will be finalized jointly by the City Manager and General Manager as well as the selection of the date and time for the meeting.

Director Martin requested that an item be included to ask the City Council’s direction on not charging the District to televise on their channel.

OTHER BUSINESS

Paul Metcalf, member of the public, asked if he should direct a request to the General Manager that Ordinance No. 177 be put on agenda for discussion. General Manager Lamb stated that this item is already scheduled to be on the agenda for the March 11 Board Committee meeting.

ADJOURNMENT

There being no further business to discuss, President Hernandez adjourned the Board Committee meeting at the hour of 3:06 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, February 20, 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