AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, JUNE 18, 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

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 JUNE 18, 2014

PRESENTATIONS

California Friendly Landscape Contest Winners: Third Place: Joanne Bright; Second Place: Dana McCoy; First Place: Sharon Hansen.

President Martin will recognize retiree Larry Gastar for his years of service with the District.

City of San Marcos presented Vallecitos Water District with a Certificate of Appreciation for its community support and contributions during the 2014 San Marcos wildfires.

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 – JUNE 4, 2014
B. SPECIAL BOARD MEETING – JUNE 10, 2014

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

1.2 WARRANT LIST THROUGH JUNE 18, 2014 – 3,623,105.55

Recommendation: Approve Warrant List

1.3 FINANCIAL REPORTS

A. WATER METER COUNT – MAY 31, 2014
B. WATER PRODUCTION/SALES REPORT – 2013/2014
C. WATER REVENUE AND EXPENSE REPORT – MAY 31, 2014
D. SEWER REVENUE AND EXPENSE REPORT – MAY 31, 2014
E. RESERVE FUNDS ACTIVITY – MAY 31, 2014
F. INVESTMENT REPORT – MAY 31, 2014

1.4 RESOLUTION ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2014/15

The District is required by Proposition 4 to establish an Appropriations Limit each fiscal year.

Recommendation: Adopt the Resolution

1.5 VALLECITOS WATER DISTRICT 2013 CONSUMER CONFIDENCE REPORT

This is the 2013 Water Quality Report provided to customers in the Vallecitos Water District.

Recommendation: Approve the 2013 Water Quality Report

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

ACTION ITEMS

2.1 RECOMMENDED VALLECITOS WATER DISTRICT BUDGET FOR FISCAL YEAR 2014/2015

Vallecitos Water District budget is presented for full Board review and approval.

Recommendation: Approve Fiscal Year 2014/2015 Vallecitos Water District Budget
2.2 RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT ELECTING TO HAVE SEWER SERVICE FEES FOR IMPROVEMENT DISTRICT “A” FOR FISCAL YEAR JULY 1, 2014 TO JUNE 30, 2015 COLLECTED ON THE TAX ROLL

The District is required to hold a Public Hearing for the collection of sewer service fees for Improvement District “A”.

Recommendation: Adopt Resolution authorizing collection of Improvement District “A” sewer service fees and set Public Hearing for Regular Board meeting on July 16, 2014

2.3 ADOPTION OF RESOLUTION ORDERING THE ANNEXATION OF CERTAIN PROPERTY DESIGNATED AS “NEW POINTE INVESTMENT GROUP, LLC ANNEXATION” APN: 182-310-44 INTO THE SEWER IMPROVEMENT DISTRICT FOR SEWER SERVICE

Recommendation: Adopt Resolution

2.4 ORDINANCE NO. 177, WASTEWATER DENSITY IMPACT FEE

The impact fee was established based upon a Capital Fee Study completed for the approved Master Plan.

Recommendation: Request Board direction

2.5 CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) 2014 BOARD ELECTIONS – SEAT C

A mail ballot has been provided for the District’s use in voting to elect a representative to the CSDA Board of Directors in the District’s region for Seat C.

Recommendation: Request Board direction

2.6 REIMBURSEMENT REQUEST BY DIRECTOR HERNANDEZ

Presented at the request of Director Hernandez.

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 MEETINGS

URBAN WATER INSTITUTE ANNUAL WATER CONFERENCE
August 13-15, 2014 – Hilton Hotel, San Diego, CA

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

5.1 DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

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

6.1 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, June 13, 2014.

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

Engineering Technician III Larry Gastar 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
District Engineer Gumpel
Operations & Maintenance Manager Pedrazzi
Development Services Senior Engineer Scholl
Accounting Supervisor Owen
Information Technology Supervisor Fisher
Public Information/Conservation Supervisor Urabe
Public Information Representative Webb
Public Information Representative Yerman
Executive Secretary Posvar
Administrative Secretary Johnson
Engineering Technician III Gastar

ADOPT AGENDA FOR THE REGULAR MEETING OF JUNE 18, 2014

President Martin requested Action Item 2.5 be moved up as the first discussion item in order to allow for timely discussion due to a speaker request by a member of the public on this item.

14-06-12 MOTION WAS MADE by Director Sannella, seconded by Director Evans, and carried unanimously, to adopt the agenda for the Regular Board Meeting of June 18, 2014.

PRESENTATIONS

Public Information/Conservation Supervisor Urabe introduced the California Friendly Landscape Contest Winners: Third Place: Joanne Bright (not present); Second Place: Dana McCoy; First Place: Sharon Hansen. The winners received a gift card to a local nursery and a California Native Plant book.
President Martin recognized retiree Engineering Technician III Larry Gastar for his 23 years of service to the District.

General Manager Lamb stated that the City of San Marcos has presented Vallecitos Water District with a Certificate of Appreciation for its community support and contributions during the 2014 San Marcos wildfires.

ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

14-06-13 MOTION WAS MADE by Director Hernandez, seconded by Director Evans, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes  
A. Regular Board Meeting – June 4, 2014  
B. Special Board Meeting – June 10, 2014

1.2 Warrant List through June 18, 2014 - $3,623,105.55

1.3 Financial Reports  
A. Water Meter Count – May 31, 2014  
B. Water Production/Sales Report – 2013/2014  
D. Sewer Revenue and Expense Report – May 31, 2014  
E. Reserve Funds Activity – May 31, 2014  

1.4 Resolution Establishing Appropriations Limit for Fiscal Year 2014/15

1.5 Vallecitos Water District 2013 Consumer Confidence Report

The roll call vote was as follows:

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

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) 2014 BOARD ELECTIONS – SEAT C

Member of the public, Jo Mackenzie, former CSDA President and current Region 6 Representative, stated that she and Region 6 Representative Bill Nelson are supporting Arlene Shafer for the open Seat C in Region 6. Ms. Mackenzie discussed recent changes to Region 6 which now includes Los Angeles and San Bernardino Counties, making it one of the largest regions with approximately 180 member districts. Ms. Mackenzie asked the Board to support Ms. Shafer in the election.

General discussion followed.

President Martin asked for nominations. Director Hernandez nominated Arlene Schafer for Region 6 Representative, Seat C, seconded by Director Sannella. Director Poltl recommended the incumbent, Elaine Sullivan, seconded by Director Evans for the sake of discussion. Discussion followed.

14-06-14 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried 4 - 1, to vote for candidate Arlene Schafer.

The roll call vote was as follows:

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

RECOMMENDED VALLECITOS WATER DISTRICT BUDGET FOR FISCAL YEAR 2014/2015.

Finance Manager Fusco stated that after the budget presentation to the Board on June 10, 2014, one capital project has been re-budgeted from the prior fiscal year in the Capital Budget section for $375,500. The budget now totals $132,977,000. This is composed of $47,166,000 for operational expenses and a commitment of $85,811,000 for capital projects. In addition, $13,285,000 from operations is being set aside for capital replacement. An additional amount of $100,000 can be added to the Public Awareness/Conservation Program budget for consulting services in regard to messaging should the Board choose.

Staff recommended the Board approve the recommended Vallecitos Water District budget for Fiscal Year 2014/2015 including the additional $100,000 line item added to the outreach budget for the consulting services associated with additional outreach.

General discussion followed.
14-06-15  MOTION WAS MADE by Director Evans, seconded by Director Poltl, and carried unanimously, to approve the budget, including the additional $100,000 for consulting services.

The roll call vote was as follows:

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

RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT ELECTING TO HAVE SEWER SERVICE FEES FOR IMPROVEMENT DISTRICT “A” FOR FISCAL YEAR JULY 1, 2014 TO JUNE 30, 2015 COLLECTED ON THE TAX ROLL

General Manager Lamb stated the District elects to have its sewer service fees for Improvement District “A” collected on the tax roll. The State Health Code requires the District to specify on an annual basis the method it will use to collect sewer service fees for Improvement District “A”. These fees are added to the tax bill of each resident and are paid through the regular property taxes. The County of San Diego then transfers this revenue to the District. As part of this procedure, the District is required to hold a Public Hearing.

Staff recommended the Board approve the resolution which sets the Public Hearing for the Regular Board meeting on July 16, 2014.

General discussion followed.

14-06-16  MOTION WAS MADE by Director Poltl, seconded by Director Evans, and carried unanimously, to adopt the resolution.

Resolution No. 1452 - The roll call vote was as follows:

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

ADOPTION OF RESOLUTION ORDERING THE ANNEXATION OF CERTAIN PROPERTY DESIGNATED AS “NEW POINTE INVESTMENT GROUP, LLC ANNEXATION” APN: 182-310-44 INTO THE SEWER IMPROVEMENT DISTRICT FOR SEWER SERVICE

Development Services Senior Engineer Scholl stated that the New Pointe Investment
Group, LLC property is located on Marilyn Lane at the northeast corner of Marilyn Lane and Rogers Court. The property is currently located within an unincorporated area of the County and is in the water service boundaries of the District.

The property owner has met all conditions of approval.

Staff recommended the Board adopt the resolution ordering the annexation of the New Pointe Investment Group, LLC property.

14-06-17 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, to adopt the resolution.

Resolution No. 1453 - The roll call vote was as follows:

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

ORDINANCE NO. 177, WASTEWATER DENSITY IMPACT FEE

President Martin stated that he requested this item be placed on the agenda as he had had some questions regarding it, which many of them have been answered already. He stated that the Board received a copy of the settlement agreement today from General Manager Lamb as he had had some questions on some of the terms in the settlement agreement, which he now understands. He then asked if staff is still on time to conduct the next Master Plan, to which General Manager Lamb responded yes.

General discussion followed. During general discussion, General Manager Lamb provided a history on the Ordinance and Legal Counsel Scott provided the history on capacity fees and their origin.

This item was for information only.

REIMBURSEMENT REQUEST BY DIRECTOR HERNANDEZ

Director Hernandez stated that he had a scheduled presentation to make to the San Marcos Chamber of Commerce and the San Marcos Better Business Bureau and decided to have a PowerPoint presentation put together which he then presented to the Board. Director Hernandez stated that he had paid $200 to have the presentation created which he personally needed and has been using at his speaking engagements. He stated that if the reimbursement is approved, any of the Board members would have use of the presentation.

General discussion followed.
14-06-18  MOTION WAS MADE by President Martin to consider approving the $200 reimbursement to Director Hernandez. There being no second, the motion failed to carry.

REPORTS

GENERAL MANAGER

None.

DISTRICT LEGAL COUNSEL

None.

SAN DIEGO COUNTY WATER AUTHORITY

Director Evans stated that the next Board meeting is scheduled on June 26, 2014.

ENCINA WASTEWATER AUTHORITY

Director Hernandez reported on the Capital Improvement Committee meeting he attended this morning. Discussion at the meeting included the plant rehab, the 2040 Master Plan, and the South Parcel negotiations.

Director Poltl reported on his attendance at the Policy and Finance Committee meeting on June 10 at which the future of the South Parcel was discussed. Other topics discussed were the Fiscal Year 2014 fourth quarter operating program budget transfer, Rady School of Business/Pure Green marketing studies, and streamlining the performance review process for the General Manager.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Hernandez reported on his attendance at the Council of Water Utilities (COWU) meeting at which the presentation was “What’s Behind the Curtain - Information on Proposition 218 Cases”.

Directors Evans, Poltl, and Sannella reported on their attendance at the COWU meeting.

Director Martin commented on his recent attendance at a Rotary meeting.

OTHER BUSINESS

None.
DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

None.

ADJOURNMENT

There being no further business to discuss, President Martin adjourned the Regular Meeting of the Board of Directors at the hour of 5:50 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, July 2, 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