AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, MAY 21, 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 MAY 21, 2014

INTRODUCTION

Human Resources Technician Bridget Anderson will introduce Ann Johnson, Administrative Secretary.

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 – APRIL 16, 2014

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes
1.2 WARRANTY LIST THROUGH MAY 21, 2014 – $3,957,973.11

Recommendation: Approve Warrant List

1.3 FINANCIAL REPORTS

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

END OF CONSENT CALENDAR

ACTION ITEMS

2.1 ACCEPTANCE OF SAN MARCOS INTERCEPTOR PHASE 1 PROJECT

All work has been completed and there was one credit change order.

Recommendation: 1) Accept the project
2) File a Notice of Completion
3) Authorize release of retention funds to the contractor following the 30-day notice period, provided no claims are filed

2.2 AWARD OF CONSTRUCTION CONTRACT FOR 8-INCH SEWER LINE REPLACEMENT – SAN MARINO AND HERMOSITA

Approximately 300 feet of pipeline will be replaced by this project which is included in the FY 2013/2014.

Recommendation: Award the contract to Charles King Company in the amount of $64,956, subject to provisions of the contract

2.3 PUBLIC OUTREACH/AGENCY BRANDING

The District’s 2012 Strategic Plan included Strategic Focus Area 5, Public Education and Outreach.

Recommendation: Request Board direction

2.4 ACWA/JPIA’s COMMITMENT TO EXCELLENCE (C2E) PROGRAM

ACWA/JPIA requested the District consider participating in their Commitment to Excellence Program.
Recommendation: Authorize the District’s participation in ACWA/JPIA’s Commitment to Excellence Program

2.5 CALIFORNIA ASSOCIATION OF SANITATION AGENCIES (CASA) PROPOSED NEW BYLAWS VOTE

The Bylaws were revised and have been approved by the Executive Board.

Recommendation: Request Board direction

2.6 CALIFORNIA SPECIAL DISTRICT ASSOCIATION (CSDA) PROPOSED BYLAWS UPDATE

The Bylaws were revised and have been approved by the CSDA Board of Directors.

Recommendation: Request Board direction

2.7 NORTH SAN DIEGO WATER REUSE COALITION (NSDWRC)

The NSDWRC is a coalition of public agencies in North County who have worked together informally to develop a long-term project reusing all wastewater generated in the collective service areas.

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

WEF BAY-DELTA TOUR
June 18-20 – Begins and ends in Sacramento, 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, May 16, 2014.

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

Public Information/Conservation Supervisor Urabe 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
               Public Information/Conservation Supervisor Urabe
               Risk Management Supervisor Janus
               Human Resources Technician Anderson
               Executive Secretary Posvar
               Administrative Secretary Johnson

ADOPT AGENDA FOR THE REGULAR MEETING OF MAY 21, 2014

14-05-01  MOTION WAS MADE by Director Hernandez, seconded by Director Evans, and carried unanimously, to adopt the agenda for the Regular Board Meeting of May 21, 2014.

The roll call vote was as follows:

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

INTRODUCTION

Human Resources Technician Bridget Anderson introduced new employee Ann Johnson, Administrative Secretary.

ORAL COMMUNICATIONS

None.
CONSENT CALENDAR

14-05-02 MOTION WAS MADE by Director Poltl, seconded by Director Evans, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes
   A. Regular Board Meeting – April 16, 2014

1.2 Warrant List through May 21, 2014 - $3,957,973.11

1.3 Financial Reports
   A. Water Meter Count – April 30, 2014
   B. Water Production/Sales Report – 2013/2014
   C. Water Revenue and Expense Report – April 30, 2014
   D. Sewer Revenue and Expense Report – April 30, 2014
   E. Reserve Funds Activity – April 30, 2014
   F. Investment Report – April 30, 2014

   The roll call vote was as follows:

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

ACTION ITEMS

ACCEPTANCE OF SAN MARCOS INTERCEPTOR PHASE 1 PROJECT

District Engineer Gumpel stated that the San Marcos Interceptor Project consists of replacing the existing 21” sewer interceptor with approximately 9,000 feet of 36” to 42” diameter sewer pipe between Twin Oaks Valley Road and Lift Station No. 1. Phase I construction is the portion between the south side of SR 78 and Johnston Lane and consists of 1,857 feet of 36” sewer pipe. All work has been completed and came in under budget as a result of a credit change order in the amount of $250,000.

Staff recommended the Board accept the project, file a Notice of Completion, and authorize release of retention funds to the contractor following the 30-day notice period, provided no claims are filed.

General discussion followed.

14-05-03 MOTION WAS MADE by Director Poltl, seconded by Director Evans, and carried unanimously, to accept the project, file a Notice of Completion, and authorize the release of retention funds to the contractor following the 30-day notice period, provided no claims are filed.
The roll call vote was as follows:

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

AWARD OF CONSTRUCTION CONTRACT FOR 8-INCH SEWER LINE REPLACEMENT – SAN MARINO AND HERMOSITA

District Engineer Gumpel stated that approximately 300 feet of the 8-inch sewer line in San Marino Drive north of Hermosita Drive is in need of replacement due to sags in the line and standing sewage which requires frequent maintenance. This project is included in the FY 2013/14 Budget as part of the Annual Sewer Replacement and Inflow & Infiltration Repairs, Capital Project.

On May 21, 2014, staff and counsel reviewed bids from three contractors and determined that Charles King Company was the lowest responsive, responsible bidder. District staff provided design for the project and will perform inspection and construction management. District construction crews performed potholing of existing underground utilities.

Staff recommended the Board award the construction contract to Charles King Company in the amount of $64,956 for the 8-inch Sewer Line Replacement San Marino and Hermosita Project, subject to the provisions of the contract.

General discussion followed.

14-05-04 MOTION WAS MADE by Director Poltl, seconded by Director Evans, and carried unanimously, to award the construction contract to Charles King Company in the amount of $64,956 for the 8-inch Sewer Line Replacement San Marino and Hermosita Project, subject to provisions of the contract.

The roll call vote was as follows:

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

PUBLIC OUTREACH/AGENCY BRANDING

General Manager Lamb stated that for several months the Board has been discussing public outreach, who we are and the message we want to project. There has been a lot of discussion by the Board as to what the Board wants to do and how they want to get the message out.
Staff contacted four public relations firms that have experience in utility branding for preliminary quotes. Three of the firms stated that until they obtain clarification on what is desired, it is difficult to calculate potential costs. The collective conclusion of the firms contacted is that the District considers hiring a public relations/marketing agency to conduct individual interviews with Board members to have clarification on the goals of the Board, discuss the branding process, and then present the Board with the results, expectations, costs and schedule. Estimated cost for the interviews, Board presentation/workshop and analysis of outcome to determine the scope of services would be between $10,000 and $15,000 depending on the number of hours required.

It is anticipated that a branding campaign that provides a marketing approach, standards for all material, development of newer presentations and marketing materials could cost between $50,000 and $100,000 not including other costs such as advertising or production level videos.

General discussion followed as to the feasibility/practicality of hiring a “branding expert” permanently on staff. General Manager Lamb recommended hiring a consultant to develop the branding campaign and materials, and then have staff maintain/update those items as needed.

14-05-05 MOTION WAS MADE by Director Evans, seconded by Director Hernandez, and carried unanimously, to authorize an expenditure of approximately $10,000 to $15,000 to select a firm and complete initial steps in the messaging process.

The roll call vote was as follows:

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

ACWA/JPIA’s COMMITMENT TO EXCELLENCE (C2E) PROGRAM

Risk Management Supervisor Janus stated that the District’s ACWA/JPIA representative asked the District to consider participating in the ACWA/JPIA’s Commitment to Excellence (C2E) Program to demonstrate commitment in working towards loss reduction. A commitment to the C2E Program does not require the District to adopt any specific programs or policies. The District’s commitment is to follow its current policy for loss reduction and, if loss history indicates that additional risk management practices may be in order, then the District would consider implementing them.

General discussion followed.
14-05-06 MOTION WAS MADE by Director Hernandez, seconded by Director Evans, and carried unanimously, to authorize the District’s participation in ACWA/JPIA’s Commitment to Excellence Program.

The roll call vote was as follows:

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

CALIFORNIA ASSOCIATION OF SANITATION AGENCIES (CASA) PROPOSED NEW BYLAWS VOTE

General Manager Lamb stated that over the past two years CASA has made a number of organizational changes to implement the Association’s Strategic Plan. As part of this effort the Executive Board identified the need to modernize and update the Bylaws to ensure CASA is compliant with applicable California law. The Bylaws have been revised in accordance with the advice of their general counsel and have been approved by their Executive Board.

If adopted, the new Bylaws will replace the existing Bylaws in their entirety. Member agencies are being provided the opportunity to cast a vote to approve or not approve repealing the existing CASA Bylaws and adopting proposed new Bylaws.

14-05-07 MOTION WAS MADE by Director Evans, seconded by Director Poltl, and carried unanimously, to vote to approve repealing the existing CASA Bylaws and adopting the proposed new Bylaws.

The roll call vote was as follows:

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

CALIFORNIA SPECIAL DISTRICT ASSOCIATION (CSDA) PROPOSED BYLAWS UPDATE

General Manager Lamb stated that the CSDA Board of Directors has approved recommended updates to the CSDA Bylaws and is presenting them to CSDA voting members for consideration. Member agencies are being provided the opportunity to cast a vote in favor or not in favor of the changes.

14-05-08 MOTION WAS MADE by Director Poltl, seconded by Director Evans, and carried unanimously, to vote in favor of the proposed changes to the CSDA Bylaws.
The roll call vote was as follows:

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

NORTH SAN DIEGO WATER REUSE COALITION (NSDWRC)

General Manager Lamb stated that Director Hernandez requested this item be placed on the agenda for the Board’s consideration of appointing him to attend the NSDWRC meetings along with staff. The NSDWRC is a coalition of public agencies in North County who have worked together informally over the past few years to develop a long-term project beneficially reusing all wastewater generated in the collective service areas. The intent is to have a long-term plan identifying facilities that could mutually benefit neighboring agencies or the region and ensure when one agency pursues reuse or recycling projects that maximum benefit can be obtained by all, pursue funding as a group, and also allow sharing or co-funding of facilities. The group consists primarily of General Managers from the participating agencies as well as senior staff and consultants working on the various projects, and generally meets once per month.

General discussion followed. The consensus of the Board was that it would be premature to appoint Director Hernandez to attend the NSDWRC meetings at this time and to wait until governance issues and policy making becomes a necessary part of the group. The Board requested that General Manager Lamb provide monthly reports on the NSDWRC meetings.

REPORTS

GENERAL MANAGER

General Manager Lamb stated that on the first night of the fire emergency, dinner was ordered from Sorrento’s Restaurant for the logistics staff on duty. When staff attempted to pay for the food, which was a substantial amount of food, Sorrento’s staff refused to take payment. Management has thanked Sorrento’s staff for their generosity and asked the Board that if they have a chance to stop in to thank the staff as well, to please do so. Should the Board like to adopt a Resolution this could be prepared for the next Board meeting, otherwise a letter will be drafted for the Board to sign thanking Sorrento's Restaurant staff.

Director Sannella asked General Manager Lamb if 4 or 5 PowerPoint slides could be created regarding everything that took place which could be used while speaking to the public to inform them on everything that took place, lessons learned, etc.

General Manager Lamb stated that during the stand down meeting following the fire emergency, staff discussed all of that and that a PowerPoint presentation will be prepared and presented to the Board for their information.
General Manager Lamb also stated that a customer who unfortunately lost his home in the fire contacted Channel 10 News Troubleshooter accusing VWD for not maintaining a fire hydrant and that his house burned down because the hydrant wasn’t working. Reporter Cristin Severance contacted him in the morning on May 15 and provided him the basic information she had been given by the homeowner. General Manager Lamb then provided specific details on the entire situation, staff’s investigation into the records related to the hydrant, and the on-camera interview with the reporter which took place on the morning of May 16. At the interview he provided the reporter with document copies related to the hydrant including inspection records as well as verifying that the fire hydrant did indeed work. He also conveyed to her that the District has an agreement with three fire departments which stipulate that the fire departments are responsible for maintaining the fire hydrant head and the District is responsible for all parts below ground.

General Manager Lamb stated that the billing cycle has been realigned from a 3 day period to a 7 day period for payments to be made before being charged a late fee.

DISTRICT LEGAL COUNSEL

Legal Counsel Scott reported on several bills. AB 194(Campos) would expand the authorization for a district attorney or interested party to seek a judicial determination that an action taken by a legislative body is null and void if the legislative body violated the requirement that every agenda for a regular meeting or notice for a special meeting provide an opportunity for members of the public to address the legislative body on items being considered.

AB 2403 (Rendon) Proposition 218 prescribes specific procedures for local agencies to notice the public when increasing certain fees and charges which include written notice and the holding of a public hearing. This bill would expand the definition of water related fees which are subject to Proposition 218 to include fees from any source including recycled water and reclaimed storm water.

SB 1451 (Hill) This bill would help avoid document dumping by Plaintiffs who bring CEQA suits and would require that the alleged grounds for noncompliance from CEQA would have to be presented to a public agency prior to the close of the public hearing on a project unless the grounds for noncompliance were not known and could not have been known with the exercise of reasonable diligence during the public comment period or if no public comment was provided by CEQA.

SAN DIEGO COUNTY WATER AUTHORITY

Director Evans stated that the Board meeting will be held tomorrow at which rates will be discussed, particularly the agriculture rates. They will also be holding a public hearing on rates and charges.
ENCINA WASTEWATER AUTHORITY

Director Hernandez stated that the Capital Improvement Committee meeting for this month was canceled.

Director Poltl stated that the Policy and Finance Committee meeting for this month was canceled. He further stated the Board meeting will be held on May 28.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

President Martin reported on his attendance on the May 3rd Water Academy Tour which was very well attended and was very impressed with staff and the great job they did.

President Martin reported on his attendance to the ACWA Spring Conference at which he also attended the ACWA/JPIA Board of Directors meeting as well as the Membership Committee meeting and the Energy Committee meeting, which he is a member of both. He was also elected to serve on the ACWA Region 10 Board.

President Martin reported on his attendance to the Council of Water Utilities meeting at which the topic of discussion was “The Importance of Good PR”.

Director Evans reported on her attendance to the ACWA Spring Conference and commented on the earthquake session she attended.

Director Evans reported on her attendance to the Council of Water Utilities meeting.

Director Evans reported on her attendance on the Hoover Dam Tour commenting on the miracle of the dam being built where it was, that it’s still working, and that no matter what else is ever done or built, there will be repercussions down the road.

Director Hernandez reported on his attendance to the ACWA Spring Conference and commented on the emergency preparedness information on earthquakes that was presented. He also attended the Groundwater Committee meeting where they are working on a statement regarding preservation, regulation and monitoring of groundwater.

Director Poltl stated that the City of San Marcos is working on a responder appreciation day related to the recent fire emergency. He has been working with the City due to the San Marcos Unified School District having facilities. The event will take place on May 31, mid-day.

Director Poltl reported on his attendance to the Council of Water Utilities meeting.

Director Sannella reported on his attendance on the Hoover Dam Tour which he found to be very informative and beneficial to a new Board member.

Director Sannella reported on his attendance to the Council of Water Utilities meeting.
OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

President Martin stated he would like to put a three-minute time limit on public speakers at Board meetings. Legal Counsel Scott responded that the Brown Act does allow the Board to adopt reasonable regulations including time limits on public speakers and it's been the experience that this is a Presidential prerogative. President Martin requested this item be brought back for policy review at a future Board meeting.

President Martin thanked the Board for letting the staff do their job during the recent fires and thanked staff for keeping the Board apprised of the events.

President Martin stated he would like the Board to send out a joint letter to staff to express their gratitude for the great job employees did as well as one to the other agencies involved.

Director Sannella asked the Board’s consideration that a formal resolution be presented to the employees and displayed in a prominent location within the District, to which the Board concurred.

ADJOURNMENT

There being no further business to discuss, President Martin adjourned the Regular Meeting of the Board of Directors at the hour of 6:04 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, June 4, 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