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 OCTOBER 15, 2014

INTRODUCTIONS

Human Resources Technician Bridget Anderson will introduce new employees, Maria Carbone, Cashier/Receptionist; Grace Cardenas, Public Information Representative; and Margaret Sten, Warehouse Assistant I.

PRESENTATIONS

President Martin will present certificates to Rhiannon Holkesvig, Angel Molina, and Sophia Maestras, the top three entrants in the Poster Contest selected to represent Vallecitos Water District in the North County Water Agency 2015 calendar.

Local Girl Scout Group #4642 will be recognized for their role in educating the public about proper fats, oils and grease disposal.

Escondido Highlands Home Owners Association will be recognized for their conservation efforts.

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 - SEPTEMBER 17, 2014
B. BOARD WORKSHOP MEETING – SEPTEMBER 23, 2014

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

1.2 WARRANT LIST THROUGH OCTOBER 15, 2014 – $5,483,572.40

Recommendation: Approve Warrant List

1.3 FINANCIAL REPORTS

A. WATER METER COUNT – SEPTEMBER 30, 2014
B. WATER PRODUCTION/SALES REPORT – 2014/2015
C. WATER REVENUE AND EXPENSE REPORT – SEPTEMBER 30, 2014
D. SEWER REVENUE AND EXPENSE REPORT – SEPTEMBER 30, 2014
E. RESERVE FUNDS ACTIVITY – SEPTEMBER 30, 2014

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

ACTION ITEMS

2.1 DROUGHT UPDATE

For information only.

Recommendation: No action required

2.2 APPROVAL OF STANDARD SEWER SERVICE AGREEMENT AND ADOPT RESOLUTION RELATED TO EMERGENCY SEWER CONNECTIONS

On December 12, 2013, the Board authorized staff to make revisions to Resolution No. 1002 which established conditions for emergency connections to the District sewer collection system.

Recommendation: 1) Adopt resolution
2) Approve revised Sewer Service Agreement

2.3 SURPLUS PERSONAL PROPERTY LISTING

Resolution No. 1312 authorizes staff to accumulate and dispose of surplus property items through a publicly noticed sale.

Recommendation: Approve item to be made available for disposal through a public auction
2.4 APPROVAL OF PERMANENT OFFSITE AGREEMENT FOR LAKE SAN MARCOS CAMPGROUND (CITIZENS DEVELOPMENT CORP)

The project is located on the west side of Lake San Marcos near the end of Caminito Aguar just east of Panorama Ave.

Recommendation: Approve a Permanent Offsite Water Service for the Lake San Marcos Campground

2.5 CAPITAL IMPROVEMENT PROJECTS UPDATE

Recommendation: For information only

2.6 CALIFORNIA SPECIAL DISTRICT ASSOCIATION (CSDA) SAN DIEGO CHAPTER PROPOSED BYLAWS UPDATE

The CSDA San Diego Chapter is proposing updates to their Bylaws.

Recommendation: Request Board direction

2.7 SMART METERS

This item is presented at the request of Director Hernandez.

Recommendation: For information only

2.8 QUARTERLY INVESTMENT REPORT

For information only.

Recommendation: No action required

*****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 MEETINGS/CONFERENCES/SEMINARS ATTENDED

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

4.1 QUARTERLY BOARD EXPENSES

For information only.

Recommendation: No action required

4.2 MEETINGS

WEF San Joaquin River Restoration Tour
November 6 – 7 – Begins and ends in Fresno, 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, October 10, 2014.

Diane Posvar
MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY OCTOBER 15, 2014, AT 4:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

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

Member of the public Layla Vahedi 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
Finance Manager Fusco
Operations & Maintenance Manager Pedrazzi
Capital Facilities Senior Engineer Hubbard
Public Information/Conservation Supervisor Urabe
Risk Management Supervisor Janus
Public Information Representative Cardenas
Human Resources Technician Anderson
Executive Secretary Posvar
Administrative Secretary Johnson

ADOPT AGENDA FOR THE REGULAR MEETING OF OCTOBER 15, 2014

14-10-01 MOTION WAS MADE by Director Hernandez, seconded by Director Evans, and carried unanimously, to adopt the agenda for the Regular Board Meeting of October 15, 2014.

INTRODUCTIONS

Human Resources Technician Bridget Anderson introduced new employees Maria Carbone, Cashier/Receptionist; Grace Cardenas, Public Information Representative; and Margaret Sten, Warehouse Assistant I.

PRESENTATIONS

President Martin presented certificates to Rhiannon Holkesvig and Angel Molina, two of the top three entrants in the Poster Contest selected to represent Vallecitos Water District in the North County Water Agency 2015 calendar. Sophia Maestras was unable to attend, therefore her teacher accepted the certificate on her behalf.
Local Girl Scout Troop #4642 was recognized for their role in educating the public about proper fats, oils and grease disposal. The Troop provided a presentation about their project of going door to door to distribute 45 fat trappers to community members and discussing their use. The Girl Scouts were presented with a special Vallecitos Water District patch for their efforts.

Public Information/Conservation Supervisor Urabe introduced Mr. Carl Weise, community manager of Escondido Highlands Home Owners Association (also known as Emerald Heights.) Mr. Weise provided a presentation highlighting various steps the Emerald Heights community has taken to reduce their water usage such as installing a new ground based, moisture sensor, computer controlled irrigation system, replacing existing landscaping with drought tolerant plants, and weekly monitoring of water use. Their efforts have resulted in a 12% decrease in water usage this year.

General Manager Lamb presented a certificate to Mr. Weise in recognition of the Escondido Highlands Home Owners Association’s conservation efforts.

**ORAL COMMUNICATIONS**

Michael Hunsaker, member of the public, addressed the Board commending the actions of General Manager Lamb and his staff in rapidly and efficiently repairing a leak. He stated that a citizen came to him about something they saw streaming out of a pipe around Armorlite. He found what appeared to be an abandoned three-inch mainline valve which had a steady, small stream coming out. Mr. Hunsaker mentioned this to Mr. Lamb at the last joint meeting with the City. Mr. Lamb promised he would get right on it the following day. Mr. Hunsaker stated that when he checked back a week later, he found that a whole new valve was placed on it and it was capped, which he thinks is a commendable action.

Mr. Hunsaker further stated that for years the City of San Marcos has had badly adjusted sprinklers that regularly showered Twin Oaks late at night. When someone complained, he was told by a City worker that it was only well water and so it didn’t matter. The contrast is very significant. He thanked the Board.

**CONSENT CALENDAR**

14-10-02 MOTION WAS MADE by Director Sannella, seconded by Director Evans, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes
   A. Regular Board Meeting – September 17, 2014
   B. Board Workshop Meeting – September 23, 2014

1.2 Warrant List through October 15, 2014 - $5,483,572.40
1.3 Financial Reports

A. Water Meter Count – September 30, 2014
B. Water Production/Sales Report – 2014/2015
D. Sewer Revenue and Expense Report – September 30, 2014
E. Reserve Funds Activity – September 30, 2014

Director Evans requested clarification on the warrant list with respect to a payment made to Associated Labs, to which staff responded.

ACTION ITEMS

DROUGHT UPDATE

Assistant General Manager Scaglione provided an update on the drought, noting the following points:

- The water year that ended September 30, 2014 was the fourth driest year on record.
- The District’s production data for June, July, August and September submitted to the State Water Resources Control Board (SWRCB) shows a decrease for each of those months.
- Even though last month’s production dropped 11.4% from the same month last year, year-to-date production through September 2014 exceeds production for the same time period in 2013.
- Data shows monthly consumption, based on a 12-month rolling average, per base meter declining, but still exceeding the 2013 average by 0.4 units (299 gallons), or 2.8%.
- Letters were sent in early September to customers identified as the top 145 users, offering assistance in reducing water use (rebates, free water audits, etc.) There was no decrease in usage in August; however, staff will continue to monitor these customers to see if further contact is necessary.
- In the month of September, the number of customer phone calls related to the drought received by Conservation staff increased and the number of calls to Customer Service decreased. Overall, 166 of the calls received from August to September were water waste complaints.

General discussion took place.

This item was presented for information only.

APPROVAL OF STANDARD SEWER SERVICE AGREEMENT AND ADOPT RESOLUTION RELATED TO EMERGENCY SEWER CONNECTIONS

General Manager Lamb stated that on December 12, 2013, the Board authorized staff to make revisions to Resolution No. 1002 which established conditions for emergency connections to the District sewer collection system. The revisions were intended to
expand the conditions that would be considered to include more than just failed septic systems, and revise the amount authorized for the Sewer Service Agreement to relate to the then current fees.

General Manager Lamb further stated that the revised resolution authorizes the General Manager to take actions as necessary and the revised Sewer System Agreement allows the homeowner to make payments on the sewer connection costs up to five years.

Michael Hunsaker, member of the public, addressed the Board stating that he lives on a property that was subject to an emergency hook-up and that there was fraud amongst the developers, a falsified percolation report was put in, and during the first rain storm everything overflowed. Everyone had to come up with a good deal of money. He further stated that he is a little concerned about the nebulous definition of other emergencies and also the ability to make some sort of special agreement on the terms. He stated that the language doesn’t cover vacant or under development, but there are cases where you sell property in big developments before they are done. He is concerned that this ordinance as written can be gaged so that the cost of emergency service connection is passed on to new owners even though the house is vacant and an occupancy permit may or may not be in place. He thanked the Board.

General Manager Lamb addressed Mr. Hunsaker’s concerns referring to the proposed revised resolution in which Section 3 very clearly states that it does not apply to any land that is vacant or under development. He stated that an existing house on land under development would be considered part of that development, so it would not apply as an emergency, and also vacant land or land that is being actively developed would not apply.

Staff recommended the Board adopt the revised resolution and approve the revised Sewer Service Agreement.

General discussion took place.

14-10-03 MOTION WAS MADE by Director Evans, seconded by Director Poltl, and carried unanimously, to adopt the resolution and approve the revised Sewer Service Agreement.
Resolution No. 1456 - the roll call vote was as follows:

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

SURPLUS PERSONAL PROPERTY LISTING

General Manager Lamb stated that Resolution No. 1312 authorizes staff to dispose of surplus property items through a publicly noticed sale. The policy states that items with an estimated value of greater than $1,000 will be approved by the Board.
General Manager Lamb further stated that in this instance, the item is a truck that was used by the District’s Collections department. The truck, valued at approximately $40,000, was replaced.

Staff recommended the Board declare the truck surplus property to be made available for disposal through a public auction.

General discussion took place.

14-10-04 MOTION WAS MADE by Director Poltl, seconded by Director Evans, and carried unanimously, to approve the truck to be made available for disposal.

The roll call vote was as follows:

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

APPROVAL OF PERMANENT OFFSITE AGREEMENT FOR LAKE SAN MARCOS CAMPGROUND (CITIZENS DEVELOPMENT CORP)

Director of Engineering & Operations Gerdes stated that Citizens Development Corp developed a campground located on the west side of Lake San Marcos near the end of Caminito Aguar just east of Panorama Avenue. The developer proposes installation of a 1-inch domestic meter to serve existing campsite buildings and an 8-inch fire service at the end of the existing 8-inch water main in Caminito Aguar, and has submitted an application for a Permanent Offsite Water Service. The property location meets the criteria for Permanent Offsite Water Service.

All engineering fees and inspection deposits have been paid. Capital facility fees are due and payable prior to occupancy.

Staff recommended the Board approve Permanent Offsite Water Service for the Lake San Marcos Campground.

14-10-05 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, to approve Permanent Offsite Water Service.

The roll call vote was as follows:

AYES: Evans, Hernandez, Poltl, Sannella, Martin
NOES:
ABSTAIN:
ABSENT:
CAPITAL IMPROVEMENT PROJECTS UPDATE

The Board discussed the frequency of Capital Improvement Projects updates. The District’s Business Plan requires updates on a quarterly basis; however, it is a matter of protocol, not policy. The consensus of the Board was that a Capital Improvements Projects update be provided to them every six months rather than on a quarterly basis. No update was given.

CALIFORNIA SPECIAL DISTRICT ASSOCIATION (CSDA) SAN DIEGO CHAPTER PROPOSED BYLAWS UPDATE

General Manager Lamb stated that the CSDA San Diego Chapter is proposing updates to their Bylaws. The full proposed changes to the Bylaws were provided for the Board’s review and consideration.

General discussion took place.

14-10-06 MOTION WAS MADE by Director Evans, seconded by Director Poltl, and carried unanimously, to approve the proposed updates to the bylaws.

The roll call vote was as follows:

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

SMART METERS

Assistant General Manager Scaglione stated this item is being presented at the request of Director Hernandez. He stated that Smart metering allows for electronic transmission of real time or near real time water usage measurement within intervals of an hour or less. Smart metering is prevalent in the gas and electric industry and just getting started in the water industry.

The District currently uses Automated Meter Reading (AMR). A sending device (MXU) in each meter box transmits a read to a Vehicle Gateway Base-station (VGB) in the truck of a meter reader. Routes are uploaded to the VGB, read by driving through a neighborhood, and then downloaded into the District’s billing system.

The District currently specifies Omni and iPerl meters for new development and replacement of old meters. These meters store thirty days of ten-minute interval reads. If a customer is concerned about a high usage read or suspects a leak, meter department staff can download the thirty days of water usage with a portable device known as a UniPro to discern usage behavior patterns, distinguish irrigation from domestic use, and collaborate evidence of a leak. There are currently 365 iPerl meters and 150 Omni meters installed in the District.
The next evolution in meter reading technology is Advanced Metering Infrastructure (AMI). The District currently specifies Sensus meters (iPerls and Omnis) for new construction and employs Sensus AMR technology. Implementation of Sensus AMI would cost approximately $5.3 million.

Member of the public, Michael Hunsaker, addressed the Board, stating that there is a security problem with smart meters as well as concerns about having smart meters with restrictions placed on them externally, for example, maybe having water only every other day or cutting off water or allowing water only certain hours of the day. These are possibilities that are of concern to citizens, and he would appreciate these factors be taken into account with whatever meter the District selects. He thanked the Board.

General discussion took place.

This item was for information only.

QUARTERLY INVESTMENT REPORT

This item was for information only.

REPORTS

GENERAL MANAGER

None.

DISTRICT LEGAL COUNSEL

Legal Counsel Scott reported that AB 194 was vetoed by the Governor last month. This was a Brown Act bill that would have put the Board Chair in jail if he/she did not allow for members of the public to criticize the Board. The bill would have required every agenda allow public comment on each item twice: prior to Board discussion and during Board consideration. It also would have expanded public criticism to include individual employees of the District.

SAN DIEGO COUNTY WATER AUTHORITY

Director Evans stated that the next Board meeting will be held on October 23. She commented on the SDCWA’s report on conservation efforts. On October 13 and 14 she met with Metropolitan Water District delegates and attended their Board meeting. Director Evans announced that the new chair of the SDCWA Board is Mark Weston, and the new vice-chair is Mark Muir.
ENCINA WASTEWATER AUTHORITY

Director Hernandez reported on his attendance at the Capital Improvement Committee meeting this morning. Topics discussed included implementation of safety procedure review and purchasing equipment due to recent fires, revision of the Revised Basic Agreement, and the Ebola virus.

Director Poltl reported on his attendance at the September 24 Board meeting at which the Board awarded the SCADA software standard project and discussed drying safety improvements in Phase I and Phase 3 engineering services. On October 1 he attended a meeting regarding the National Biosolids EMS Interim Audit Report study that is being conducted by a third party to evaluate how they are doing in that regard. He also attended the Policy and Finance Committee on October 14 at which discussion included the response to the heat dryer, recycling, assistance to fires, salary schedule revisions required by CalPERS, the Revised Basic Agreement, and the 2020 Business Plan.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Hernandez reported on his attendance at the CSDA Annual Conference in September and the Padre Dam Advanced Water Purification Demonstration Project commemoration.

Director Sannella reported on his attendance at the CSDA Governance Foundations training session that was held on the first day of the CSDA Annual Conference. The training covered topics such as building trust, the Brown Act, several legal issues, and treating others with respect.

Directors Evans and Martin also reported on their attendance at the CSDA Annual Conference.

OTHER BUSINESS

QUARTERLY BOARD EXPENSES

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

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Evans requested an update on the Water Leadership & Management Program at California State University San Marcos. General Manager Lamb stated that the program started approximately a month ago and consists of four seven-week sessions to include management, risks associated with the law, leadership and Board relations, financial, water planning, and human resources. There are ten students in the program this year.
President Martin distributed information to the Board regarding the transition of the new Board chair for 2015. This topic will be placed on the Board agenda for discussion at the November 19 meeting.

ADJOURNMENT

There being no further business to discuss, President Martin adjourned the Regular Meeting of the Board of Directors at the hour of 6:10 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, November 5, 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