CALL TO ORDER – PRESIDENT EVANS

PLEDGE OF ALLEGIANCE

OATH OF OFFICE – Administration of the Oath of Office to elected Board members James Hernandez (Division 2), Craig Elitharp (Division 3) and Mike Sannella (Division 4) to fill the terms of Director ending in 2018, 2018, and 2016 respectively.

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 DECEMBER 10, 2014

1.1 BOARD APPOINTMENTS

Annual Board appointments for 2015.

Recommendation: Appoint Officers and Agency Representatives

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

2.1 APPROVAL OF MINUTES

A. REGULAR BOARD MEETING - NOVEMBER 19, 2014

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes
2.2 WARRANT LIST THROUGH DECEMBER 10, 2014 – $3,438,968.04

Recommendation: Approve Warrant List

2.3 FINANCIAL REPORTS

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

Recommendation: Approve Warrant List

2.4 WINTER 2015 SPLASH! – VALLECITOS WATER DISTRICT QUARTERLY NEWSLETTER

Recommendation: Approve Winter 2015 SPLASH Newsletter

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

ACTION ITEMS

3.1 DROUGHT UPDATE

For information only.

Recommendation: No action required

3.2 FATS, OILS AND GREASE (FOG) PROGRAM UPDATE

Ordinance No. 191 established the rules and regulations for FOG control and provided for the recovery of reasonable costs associated with program compliance.

Recommendation: Continue fee deferral

3.3 APPROVAL OF CONSTRUCTION AGREEMENT FOR PERKINS SINGLE FAMILY RESIDENCE, APN: 178-170-45 (DAVID A. PERKINS)

The project is located west of North Twin Oaks Valley Road, between Lady Bug Lane and Quarry Road.

Recommendation: Approve construction agreement
3.4 APPROVAL OF CONSTRUCTION AGREEMENT FOR PROMENADE AT CREEKSIDE, APN: 219-270-64 (PROMENADE AT CREEKSIDE HOUSING PARTNERS, LP)

The project is located within the San Marcos Creekside District on new Creekside Drive south of San Marcos Boulevard between Bent Avenue and Grand Avenue.

Recommendation: Approve construction agreement

3.5 APPROVAL OF CONSTRUCTION AGREEMENT FOR MULBERRY RESIDENTIAL, APN: 218-171-04 (D.R. HORTON)

The project is located on Mulberry Drive north of Mission Road and south of Borden Road.

Recommendation: Approve construction agreement

3.6 APPROVAL OF CONSTRUCTION AGREEMENT FOR LAZOVIC 4-LOT SUBDIVISION TPM 655, APN: 220-261-05 (LAZOVIC/BUJOSEVIC)

The project is located on La Moree Road south of Barham Drive.

Recommendation: Approve construction agreement

3.7 CONSTRUCTION AGREEMENT FOR SAN ELIJO HILLS, PHASE 5 P.A. “O”, UNIT 8 & 9, APN: 679-221-18 & 679-221-19 (SAN ELIJO HILLS DEVELOPMENT COMPANY, INC.)

The project is located north of San Elijo Road and south of Double Peak Drive.

Recommendation: Approve construction agreement

3.8 LOCAL AGENCY FORMATION COMMISSION (LAFCO) 2014 SPECIAL DISTRICTS ELECTION

The District may vote for one Regular District Member and one Alternate District member.

Recommendation: Request Board direction

*****END OF ACTION ITEMS*****

REPORTS

4.1 GENERAL MANAGER
4.2 DISTRICT LEGAL COUNSEL

4.3 SAN DIEGO COUNTY WATER AUTHORITY

4.4 ENCINA WASTEWATER AUTHORITY
- Capital Improvement Committee
- Policy and Finance Committee

4.5 DIRECTORS REPORTS ON MEETINGS/CONFERENCES/SEMINARS ATTENDED

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

OTHER BUSINESS

5.1 MEETINGS

WEF 2015 Executive Briefing
March 25, 2015 – Sacramento, CA

WEF 2015 Tours
Lower Colorado River Tour – March 11 - 13
Central Valley Tour – April 22 - 24
Bay-Delta Tour – June 24 – 26
Groundwater Tour – September 24 – 25
Southern California Tour – October 8 – 9
Northern California Tour – October 21 – 23
San Joaquin River Restoration Tour – November 5 - 6

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

6.1 DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

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

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, December 5, 2014.

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

Director Sannella led the pledge of allegiance.

OATH OF OFFICE

Legal Counsel Scott administered the Oath of Office to elected Board members James Hernandez (Division 2), Craig Elitharp (Division 3) and Mike Sannella (Division 4) to fill the terms of Director ending in 2018, 2018, and 2016 respectively.

Present: Director Elitharp
Director Hernandez
Director Martin
Director Sannella
Director Evans

Staff Present: General Manager Lamb
Assistant General Manager Scaglione
Legal Counsel Scott
Director of Engineering & Operations Gerdes
Administrative Services Manager Emmanuel
District Engineer Gumpel
Finance Manager Fusco
Operations & Maintenance Manager Pedrazzi
Risk Management Supervisor Janus
Financial Analyst Arthur
Source Control Technician Harrell
Public Information Representative Cardenas
Executive Secretary Posvar
Administrative Secretary Johnson

President Evans presented Director Martin with a book highlighting his term as President.

ADOPT AGENDA FOR THE REGULAR MEETING OF DECEMBER 10, 2014

14-12-01 MOTION WAS MADE by Director Sannella, seconded by Director Hernandez, and carried unanimously, to adopt the agenda for the Regular Board Meeting of December 10, 2014.

BOARD APPOINTMENTS

President Evans stated she distributed a list of committee assignments to the Board, which the Board then reviewed. Director Martin requested a change to the assignments, removing himself from the position of alternate delegate for the Encina
Wastewater Authority (EWA) and suggested that Assistant General Manager Tom Scaglione be assigned the alternate delegate.

14-12-02 MOTION WAS MADE by President Martin, seconded by Director Hernandez, and carried unanimously, to approve the committee members as presented with Assistant General Manager Scaglione being assigned the alternate delegate for EWA.

COMMITTEES
ENGINEERING/EQUIPMENT
Jim Hernandez (C), Craig Elitharp
FINANCE/INVESTMENT
Hal Martin (C), Mike Sannella
LEGAL/LEGISLATIVE AFFAIRS
Mike Sannella (C), Hal Martin
PUBLIC AWARENESS/PERSONNEL POLICY
Betty Evans (C), Jim Hernandez
AD HOC

(C) = Chairperson

REPRESENTATIVES
ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) BOARD OF DIRECTORS/REGION 10
Member: Hal Martin
Finance Liaison: Tom Scaglione

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) FINANCE COMMITTEE
Vice Chair: Tom Scaglione

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) ENERGY COMMITTEE
Member: Hal Martin

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) GROUNDWATER COMMITTEE
Member: Jim Hernandez

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) MEMBERSHIP COMMITTEE
Member: Hal Martin

ACWA/JPIA
Delegate: Hal Martin
Alternate: Betty Evans
Finance & Audit Committee: Tom Scaglione, Vice Chair

CALIFORNIA ASSOCIATION OF SANITATION AGENCIES (CASA) – LEGISLATIVE COMMITTEE
Delegate: Craig Elitharp
Alternate: Betty Evans

ENCINA WASTEWATER AUTHORITY
Delegates: Craig Elitharp & Jim Hernandez
Alternate: Tom Scaglione

SAN DIEGO COUNTY WATER AUTHORITY (SDCWA)
Delegate: Betty Evans (term expires 3/13/16)

SMEDC
Delegate: Jim Hernandez

SDNEDC
Delegate: Mike Sannella
ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

14-12-03 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, to approve the Consent Calendar as presented.

2.1 Approval of Minutes

A. Regular Board Meeting – November 19, 2014

2.2 Warrant List through December 10, 2014 - $3,438,968.04

2.3 Financial Reports

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

2.4 Winter 2015 Splash! – Vallecitos Water District Quarterly Newsletter

ACTION ITEMS

DROUGHT UPDATE

Assistant General Manager Scaglione stated that the Department of Water Resources (DWR) announced an initial allocation of 10 percent for the customers of the State Water Project. Depending upon the volume of rain and snow that reaches California, that initial allocation may be increased. Should dry conditions return, the DWR may reallocate State Water Project supplies to meet human health and safety needs.

He noted the following:

- The District’s November 2014 water production dropped 1% from last November, even though the region as a whole is higher for that time period.
- The State Water Resources Control Board has scheduled a workshop for December 17, 2014 to discuss conservation and direction of next steps.
- On a 12-month average, the District’s Gallons-per-Capita-per-Day (GPCD) has decreased from 154 GPCD in November 2013 to 152.7 GPCD in November 2014.
- Monthly consumption, based on a 12-month rolling average, per base meter is declining, but still exceeding the 2013 average by 0.37 units (277 gallons), or 2.6%.  
- Conservation staff is working on increasing drought outreach on the website and on social media sites.  
- The number of phone calls from customers related to the drought has decreased.

General discussion took place.

This item was presented for information only.

**FATS, OILS AND GREASE (FOG) PROGRAM UPDATE**

General Manager Lamb stated that on December 10, 2013, the Board adopted Ordinance No. 191 which established the rules and regulations for FOG control and provided for the recovery of reasonable costs associated with program compliance. At that time the Board directed staff to provide a status update at six-month intervals which also gives staff adequate time to develop firm inspection times for different types of users and associated costs.

Source Control Technician Harrell provided an update regarding the implementation progress of the FOG program. To date, he has introduced the program to 209 Food Service Establishments (FSEs) with an additional 6 to go. He stated that he started performing inspections on October 6, 2014: 47 FSEs have been inspected which required 26 re-inspections. Out of the 47 inspected, 44 FSEs are in compliance; the remaining 3 are scheduled for re-inspection next week. The average inspection time is 2 hours per FSE with re-inspection averaging 1.5 hours which includes administrative time, travel time and the inspection.

General discussion took place. Director Sannella requested an end-of-the-year report be provided to the Board to include data on the volume of fats, oils and grease that were collected and disposed of properly instead of going into the sewer system.

Staff recommended the Board continue the fee deferral for the FOG program.

14-12-04 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, to continue the fee deferral.

**APPROVAL OF CONSTRUCTION AGREEMENT FOR PERKINS SINGLE FAMILY RESIDENCE, APN: 178-170-45 (DAVID A. PERKINS)**

District Engineer Gumpel stated that the Perkins project is a single family dwelling located west of North Twin Oaks Valley Road, between Lady Bug Lane and Quarry Road. Approximately 765 feet of 8-inch diameter PVC water main will be constructed within a District easement. He further stated that all engineering fees/charges and inspection deposits have been paid and bonds have been received.
Staff recommended the Board approve the construction agreement for the Perkins Single Family Residence.

General discussion took place.

14-12-05 MOTION WAS MADE by Director Elitharp, seconded by Director Sannella, and carried unanimously, to approve the construction agreement.

APPROVAL OF CONSTRUCTION AGREEMENT FOR PROMENADE AT CREEKSID, APN: 219-270-64 (PROMENADE AT CREEKSID HOUSING PARTNERS, LP)

District Engineer Gumpel stated that the project is located within the San Marcos Creekside District on new Creekside Drive south of San Marcos Boulevard between Bent Avenue and Grand Avenue. The project will construct approximately 913 feet of 12-inch diameter PVC water main and 880 feet of 8-inch diameter PVC sewer main. Water and wastewater capital facilities fees as well as all engineering fees/charges and inspection deposits have been paid and bonds have been received.

Staff recommended the Board approve the construction agreement for the Promenade at Creekside project.

General discussion took place.

14-12-06 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, to approve the construction agreement.

APPROVAL OF CONSTRUCTION AGREEMENT FOR MULBERRY RESIDENTIAL, APN: 218-171-04 (D.R. HORTON)

District Engineer Gumpel stated that the project is located on Mulberry Drive north of Mission Road and south of Borden Road. The project will construct approximately 335 feet of 8-inch diameter PVC water main within Mulberry Road. He further stated that all engineering fees/charges and inspection deposits have been paid and bonds have been received.

Staff recommended the Board approve the construction agreement for the Mulberry Residential project.

14-12-07 MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried unanimously, to approve the construction agreement.
APPROVAL OF CONSTRUCTION AGREEMENT FOR LAZOVIC 4-LOT SUBDIVISION
TPM 655, APN: 220-261-05 (LAZOVIC/BUJOSEVIC)

District Engineer Gumpel stated that the project is a 4-lot subdivision located on La Moree Road south of Barham Drive. The project will construct approximately 215 feet of 8-inch diameter PVC water main and 205 feet 8-inch PVC sewer main within a District easement. He further stated that all engineering fees/charges and inspection deposits have been paid and bonds have been received.

Staff recommended the Board approve the construction agreement for the Lazovic 4-lot subdivision project.

General discussion took place.

14-12-08 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, to approve the construction agreement.

CONSTRUCTION AGREEMENT FOR SAN ELIOJO HILLS, PHASE 5 P.A. “O” UNIT 8 & 9, APN: 679-221-18 & 679-221-19 (SAN ELIOJO HILLS DEVELOPMENT COMPANY, INC.)

District Engineer Gumpel stated that the project is located north of San Elijo Road and south of Double Peak Drive, and is the last area within the San Elijo Hills to be developed. The project constructed approximately 3,995 feet of 16-inch diameter DIP water main and 3,512 feet of 8-inch diameter PVC sewer main. He further stated that engineering fees/charges and inspection deposits have been paid and bonds have been received.

Staff recommended the Board approve construction agreement for the San Elijo Hills, Phase 5 P.A. “O” Unit 8 & 9 subdivision project.

General discussion took place.

14-12-09 MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried unanimously, to approve the construction agreement.

LOCAL AGENCY FORMATION COMMISSION (LAFCO) 2014 SPECIAL DISTRICTS ELECTION

General Manager Lamb stated that in August of this year, LAFCO solicited nominations for two LAFCO positions: one Regular District Member and one Alternate District Member. As required by the Selection Committee Rules, all eligible nominations were forwarded to the Nominating Committee. The Nominating Committee’s Report and Recommendations as well as the Summary of Nominations have been provided to the Board. The Nominating Committee recommended Jo MacKenzie of the Vista Irrigation
District for the Regular District Member position, and Edmund K. Sprague of Olivenhain Municipal Water District for the Alternate District Member position.

14-12-10 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, to accept the recommendations of the Nominating Committee.

REPORTS

GENERAL MANAGER

General Manager Lamb reported that he attended a meeting of General Managers at the San Diego County Water Authority on December 9 at which it was discussed that San Diego County water demand has increased during the last two months for the same period last year. Even though the District, along with larger wholesale agencies across the State, has decreased use and is already meeting the 20 by 20 target, usage must continue to stay low. There is concern that the State Water Resources Control Board may take action toward mandatory curtailment relatively soon.

General Manager Lamb stated that President Evans has the election certificates to be distributed to the newly elected Board members.

General Manager Lamb stated that historically, the Board has not held the second Board meeting of December. There are no items identified for the agenda at this time, therefore, he recommended that the December 17, 2014 Board meeting be cancelled.

General Manager Lamb reported that staff held the initial outreach kick-off meeting this week to determine a schedule. The first item that will be presented to the Board at the January 7, 2015 Board meeting will include a schedule of deliverables and also an opportunity for the Board to discuss questions to be included in the proposed public opinion poll.

DISTRICT LEGAL COUNSEL

None.

SAN DIEGO COUNTY WATER AUTHORITY

President Evans stated the SDCWA Board met just before Thanksgiving and since that time have renewed their contract with the lobbyists in Washington, D.C. They are working on three bills for streamlining the Integrated Recycled Water Management Program and also expanding the efforts of getting artificial turf into common areas.

President Evans also stated that she was appointed Vice Chair of the Water Planning Committee.
ENCINA WASTEWATER AUTHORITY

Director Hernandez reported on his attendance at the Capital Improvement Committee meeting this morning at which they’re finalizing the last of the modernization. Surplus funds have allowed them to expand the contract to clean up several areas and replace detector check valves that were originally installed in 1983. The Committee is also recruiting for an IT group to govern their IT program. He stated that the Committee meetings in 2015 will be held on the fourth Wednesday of the month except for the months of November and December.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Martin reported on his attendance to the Council of Water Utilities meeting and also the Association of California Water Agencies (ACWA) Fall Conference.

Director Hernandez reported on his attendance to the ACWA Fall Conference, commenting specifically on the Groundwater Committee meeting he attended. He stated that agencies seeking grants from the recently passed Proposition 1 will need to have a groundwater management program in place in order to qualify for funds.

Director Sannella reported on his attendance to the San Diego North Economic Development Council annual luncheon at which the overall topic of the presentations was focused around biotech and biopharma.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Hernandez would like the Board to consider authorizing a Thursday overnight hotel stay at next year’s ACWA Fall Conference due to traffic concerns.

Director Sannella requested wastewater capacity and density fees be placed on the January 7, 2015 Board agenda. He also requested staff to provide a presentation of the historical background on the fees and to explain why we have the fees, and also allow for public input. Director Hernandez requested that this topic be presented at a Special Board Workshop meeting. President Evans stated that the new Board member should be briefed on this subject prior to further Board discussion and concurred with Director Martin that the Special Board Workshop meeting should be scheduled as soon as possible.

Director Sannella would like the Board to review Ordinance No. 190, Section 2.1, Authorized District Memberships, at the January 7, 2015 Board meeting. He requested staff to provide information on the cost of the District’s membership fees to currently authorized organizations.
Director Elitharp stated that he is very pleased and happy to be a member of the Board and very excited about this opportunity, the opportunity to get to know his fellow directors and staff, and work with everyone for the benefit of all their ratepayers.

Director Martin stated that he felt the Board had stepped away from their fiduciary responsibility in regard to their acceptance of the 2013/2014 Annual Audit. He requested an item be placed on the agenda for the Board to consider next year’s audit be done in a different method and to allow for the Board to participate in the audit process. President Evans suggested holding a Board Workshop meeting to establish a policy on audit procedures.

Director Martin would like the Board to consider authorizing attendance at the upcoming San Marcos State of the City address, and requested this topic be placed on an upcoming Board agenda.

Director Hernandez requested that in conjunction with the review of Ordinance 190, that the Board consider the addition of the Boys and Girls Club to the list of authorized organizations.

**ADJOURNMENT**

There being no further business to discuss, President Evans adjourned the Regular Meeting of the Board of Directors at the hour of 5:12 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, January 7, 2015, at 4:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

Betty Evans, President
Board of Directors
Vallecitos Water District

**ATTEST:**

Dennis O. Lamb, Secretary
Board of Directors
Vallecitos Water District