CALL TO ORDER – PRESIDENT EVANS

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 FEBRUARY 4, 2015

PRESENTATIONS

President Evans will present Arianna Arango, the “Week Without Water” video contest winner, with a $500 cash prize from the District, a yogurt party from Menchies Frozen Yogurt, and a college sweatshirt from Palomar College.

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 - JANUARY 19, 2015

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes
1.2 WARRANT LIST THROUGH FEBRUARY 4, 2015 – $2,139,247.14

Recommendation: Approve Warrant List

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

ACTION ITEMS

2.1 SAN DIEGO NORTH ECONOMIC DEVELOPMENT COUNCIL MEMBERSHIP

Ordinance No. 190, adopted December 10, 2013, established the business guidelines the Board operates under, including District memberships and per diems.

Recommendation: Request Board direction

2.2 ORDINANCE NO. 177 SUSPENSION

Ordinance No. 177 was discussed at the January 19, 2015 Board meeting and subsequently suspended by the Board of Directors.

Recommendation: Request Board direction


The property is located at the north end of Foothill View Place, east of Woodland Parkway.

Recommendation: Adopt resolution

2.4 APPROVAL OF CONSTRUCTION AGREEMENT FOR ROGERS COURT, TM 5337 APN: 182-310-44 (NEW POINTE INVESTMENT, LLC)

The project is located on Marilyn Lane between Richland Road and Cox Road.

Recommendation: Approve construction agreement

2.5 AWARD OF CONSTRUCTION CONTRACT FOR MECHANICAL/ELECTRICAL DEPARTMENT OFFICES

The Mechanical/Electrical Department offices have been temporarily located in the shop area of Building C.

Recommendation: Award construction contract to Visser Construction Company
2.6 PROCESS FOR THE SALE OF SURPLUS LAND

The Board authorized District staff to pursue the sale of the avocado grove on Rancho Luiseno Road.

Recommendation: Declare the property surplus and direct staff to send appropriate notices to the County and School District

2.7 RESOLUTION FOR FINANCIAL TRANSACTION AUTHORIZATION – MULTI-BANK SECURITIES

Multi-Bank Securities, Inc. is on the District’s authorized registry of broker/dealers.

Recommendation: Adopt resolution

2.8 RESOLUTION FOR DISTRICT CREDIT CARD POLICY UPDATE

An updated resolution is to be submitted annually to the Board for any changes to the District credit card policy.

Recommendation: Adopt resolution

2.9 CALL FOR CANDIDATES – CASA BOARD OF DIRECTORS

CASA is requesting nominations from members for four open seats on the Board of Directors for three-year terms beginning August 2015.

Recommendation: Request Board direction

2.10 DROUGHT UPDATE

For information only.

Recommendation: No action required

2.11 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

San Diego Chapter CSDA Quarterly Dinner Meeting
February 19 – The Butcher Shop Steakhouse – San Diego

ACWA 2015 Legislative Symposium
March 4 – Sacramento Convention Center

*****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](http://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, January 30, 2015.

Diane Posvar
President Evans called the Regular meeting to order at the hour of 4:02 p.m.

District Engineer Gumpel led the pledge of allegiance.

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
              Operations & Maintenance Manager Pedrazzi
              Public Information/Conservation Supervisor Robbins
              Executive Secretary Posvar
              Administrative Secretary Johnson

Others Present: Carl Morgan, North San Diego Economic Development Council
                 Karen Pearson, North San Diego Economic Development Council

ADOPT AGENDA FOR THE REGULAR MEETING OF FEBRUARY 4, 2015

15-02-01 MOTION WAS MADE by Director Sannella, seconded by Director Hernandez, and carried unanimously, to adopt the agenda for the Regular Board Meeting of February 4, 2015.

PRESENTATION

Public Information/Conservation Supervisor Robbins stated that the District partnered with Palomar College’s Gear Up Program and Menchie’s Frozen Yogurt to sponsor a video contest for middle and high school students on the topic of a “Week Without Water.” Contest winner Arianna Arango was presented with prizes that included a $500 cash prize from the District, a yogurt party from Menchie’s Frozen Yogurt and a sweatshirt from Palomar College.

ORAL COMMUNICATIONS

Mr. Mike Hunsaker, member of the public, addressed the Board stating that there is a movement among the Indian casinos to start raising and selling marijuana at the casinos. Marijuana is a very heavy user of water and is one of California’s biggest crops, although illegal. There is also a movement to add to their water supply which would facilitate such growth. He further stated that he is particularly concerned about what is happening at Lake Henshaw. Much of the water that was formerly going to the casinos was reclaimed water from the lining of the canals. There is a push now to take additional water because of the drought to aide these Indian industries. He thinks that if we aren’t getting the water and we
Minutes of the Vallecitos Water District Regular Meeting
February 4, 2015

don’t have enough water for ourselves, giving even more water which is not taken care of or compensated for elsewhere is a disaster for our community. He thanked the Board.

CONSENT CALENDAR

15-02-02 MOTION WAS MADE by Director Sannella, seconded by Director Elitharp, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

A. Regular Board Meeting – January 19, 2015

1.2 Warrant List through February 4, 2015 - $2,139,247.14

ACTION ITEMS

SAN DIEGO NORTH ECONOMIC DEVELOPMENT COUNCIL MEMBERSHIP

Mr. Carl Morgan, Chief Operating Officer of the San Diego North Economic Development Council (SDNEDC), distributed informational brochures and provided a presentation regarding the focus, activities and membership of the SDNEDC.

General discussion took place.

Mr. Mike Hunsaker, member of the public, addressed the Board stating that water is a key issue and that we live in a water-restrained environment. What we hear is that there is going to be a big emphasis on new housing. Where is the water going to come from? Is our rate stabilization fund going to be completely depleted to provide water for these people? Will we make the situation even less stable and completely destabilize rates?

One of the biggest problems in the United States has been the large scale transfer of wealth from the lower and middle classes to the upper class by getting preferential treatment for grants and money to pay for their infrastructure. He thinks for the District to pay to be a member of a lobbyist group is inappropriate as these are all large companies and the problem is we don’t have enough small businesses which produce jobs. Large companies produce mostly transient jobs and end up owning big assets at the taxpayers’ expense. For a $10,000 entry fee, that gets a little out of hand.

Mr. Hunsaker stated that he is also concerned about affordable housing. In most parts of the country, if you are going to rent an apartment, 20% of your income is affordable; here, we go 30% and this is primarily because California’s regulation process and taxes have gone overboard. He doesn’t see this organization having any emphasis on jobs. We have a need for jobs now. We don’t have a need for housing now, except for truly affordable housing.

General Board discussion took place over the various levels the Board could participate at; the value to the District; the value the District could obtain by utilizing the publications of SDNEDC; ways the District could utilize the $5,000 portion of the elective dues, possibly including a summit sponsored by Vallecitos. The discussions included the current cost and
value of outreach the District does with newsletters, tours, etc. that reach actual customers of the District. Discussion also included the consideration that the District is required at the $10,000 level to also provide names and organizations that the SDNEDC can contact to obtain an additional $10,000 in contributions above and beyond the $10,000 membership fee. It was stated by the SDNEDC representative that they would not be looking to actually bill the District if the additional $10,000 was not realized.

15-02-03 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, to support the SDNEDC membership at the $10,000 level.

General discussion followed.

The roll call vote was as follows:

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

General discussion took place.

15-02-04 AMENDED MOTION WAS MADE by Director Martin, seconded by Director Elitharp, to support the SDNEDC membership at the $5,000 level and if a VWD Board member becomes a SDNEDC Board member, they must provide an annual report for at least two years as to why the membership is worthwhile.

General Manager Lamb clarified that the Board level SDNEDC membership is $10,000; $5,000 initially and an additional $5,000 thereafter for a total of $10,000, this level of contribution would allow a VWD Board member to sit on the SDNEDC Board. He stated that the $5,000 level does not provide the opportunity to be a SDNEDC Board member, and that Director Sannella is the District’s representative to the SDNEDC. Legal Counsel Scott further clarified Director Martin’s second amended motion.

15-02-05 AMENDED MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried 4-1, to commit to one year of membership to the SDNEDC at the $10,000 level and require Director Sannella to provide an annual report on the benefits of the membership to the District so that the Board may consider continuing its membership for an additional year at the same level.

The roll call vote was as follows:

AYES: Elitharp, Hernandez, Martin, Sannella
NOES: Evans
ABSTAIN:
ABSENT:
ORDINANCE NO. 177 SUSPENSION

Director Hernandez stated that he recently discovered he has a financial benefit in relation to this item, therefore, participation in this item would constitute a conflict of interest. He then recused himself from this item.

General Manager Lamb stated that at the January 19, 2015 Board meeting, the Board made a unanimous decision to move forward with the suspension of Ordinance No. 177. He further stated that at that meeting Legal Counsel Scott recommended this issue be brought back to a future meeting to allow for public notice and to ensure that all provisions of the ordinance are addressed.

General Manager Lamb further stated that the proposed Ordinance No. 193 provides the necessary formal action of the Board to suspend Ordinance No. 177. It also includes provisions for refunding Wastewater Density Impact fees that were paid in accordance with Ordinance No. 177 for mitigation of two projects' impacts – Parkview (Chinaberry) and Lagos San Marcos (Seaglass).

General discussion took place.

Mr. Jim Simmons, member of the public, addressed the Board stating that the reason Mike McDonald came back to the District and asked for the release of the lawsuit was because his project was going to be charged this densification fee and he had a settlement that gave him somewhere between 800 and 1,000 units that he wouldn’t have to pay the fee for; that’s what motivated the lawsuit. He further stated that’s what has motivated all of them to come back and look at this; it was suspended last time and now direct action is being taken to suspend it or repeal it. The bottom line is that the District has to decide what the reason is that they are doing it. The District has a study that says it is needed, and that study is based on data that isn’t necessarily up to date. It’s been acknowledged by staff and by the Board on several occasions, both publicly and privately, that when the new Master Plan is completed, it will probably go away because the justification doesn’t exist. They are asking for that to happen now and for some language to be created that makes it clear to people who are preparing environmental documentation for projects to go forward and that are within the District that require some justification to move forward. If the claim is going to be that this ordinance is suspended, therefore the fee isn’t collected, and therefore, there is no mitigation for the impact to the wastewater system, then all that’s simply been done is stop everything that’s going to move forward for whatever time until the 2015 plan is completed. The request they have is that the District acknowledge the changed conditions, why it is being suspended and allow projects that aren’t going to pay to move forward.

Legal Counsel Scott responded that there is nothing in the proposed ordinance that would stop projects from moving forward. This relates to the density impact fee. There is still a wastewater impact fee and a water capacity fee.

General discussion took place.
15-02-06  MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried 4-0 with Director Hernandez recused, to adopt the ordinance and refund Wastewater Density Impact fees collected to developers or their successors.

Ordinance No. 193 - the roll call vote was as follows:

AYES:       Elitharp, Martin, Sannella, Evans
NOES:
ABSTAIN:
ABSENT:


District Engineer Gumpel stated the property located at the north end of Foothill View Place, east of Woodland Parkway, was discovered to have an illegal connection to the City of Escondido sewer facilities. The Board approved the original annexation on September 19, 2012; however, due to financial hardship the annexation was delayed. The property owner is now ready to complete the annexation and has paid all required fees and completed the conditions of the annexation per District policy.

Staff recommended the Board adopt the resolution.

15-02-07  MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, to adopt the resolution.

Resolution No. 1460 - the roll call vote was as follows:

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

APPROVAL OF CONSTRUCTION AGREEMENT FOR ROGERS COURT, TM 5337 APN: 182-310-44 (NEW POINTE INVESTMENT, LLC)

District Engineer Gumpel stated that the project is located on Marilyn Lane between Richland Road and Cox Road, and will construct approximately 577 feet of 8-inch diameter PVC water main and 567 feet of 8-inch diameter PVC sewer main.

All engineering fees, inspection deposits, and water and wastewater capital facility fees have been paid, and bonds have been received.

Staff recommended the Board approve the construction agreement.
15-02-08 MOTION WAS MADE by Director Sannella, seconded by Director Hernandez, and carried unanimously, to approve the construction agreement.

AWARD OF CONSTRUCTION CONTRACT FOR MECHANICAL/ELECTRICAL DEPARTMENT OFFICES

District Engineer Gumpel stated that the Mechanical/Electrical Department offices have been temporarily located in the shop area of Building C for approximately seven years. An under-utilized section of Building B will be remodeled in order to provide appropriate office space for the department supervisor and staff.

He further stated that staff completed the evaluation of qualifications of the proposals received from two contractors. Visser Construction Company, Inc. was the lowest, responsive and responsible bidder.

Staff recommended the Board award the construction contract to Visser Construction Company, Inc., in the amount of $59,200, subject to provisions of the contract.

General discussion took place.

15-02-09 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, to award the construction contract to Visser Construction Company.

PROCESS FOR THE SALE OF SURPLUS LAND

Assistant General Manager Scaglione stated that at the November 5, 2014 Board meeting, the Board authorized staff to pursue the sale of the District owned avocado grove on Rancho Luiseno Road in the unincorporated area of San Diego County, north of the City of Escondido.

Prior to offering surplus land for sale to the public, the District, as a local agency, is required to first offer to sell or lease the property to the County, City and/or School District who have jurisdiction where the property is located.

Staff recommended the Board declare the property surplus and direct staff to send the appropriate notices to the County and School District.

General discussion took place.

15-02-10 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, to declare the property surplus and direct staff to send appropriate notices to the County and School District.
RESOLUTION FOR FINANCIAL TRANSACTION AUTHORIZATION – MULTI-BANK SECURITIES

Assistant General Manager Scaglione stated Multi-Bank Securities, Inc. is one of three broker/dealers that are on the District’s authorized registry of broker/dealers. A resolution is required by Multi-Bank Securities, Inc. in order for the District to utilize the broker/dealer services they provide.

Staff recommended the Board adopt the resolution.

15-02-11 MOTION WAS MADE by Director Hernandez, seconded by Director Elitharp, and carried unanimously, to adopt the resolution.

Resolution No. 1461 - the roll call vote was as follows:

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

RESOLUTION FOR DISTRICT CREDIT CARD POLICY UPDATE

Assistant General Manager Scaglione stated that on October 23, 2013, the Board approved Resolution No. 1432, establishing a District credit card policy and designating specific staff members’ authorization to utilize District credit cards in the course of conducting official District business. An updated resolution containing changes to the list of credit cards and authorized users was presented for the Board’s consideration.

Staff recommended the Board adopt the resolution to update the list of credit card users.

General discussion took place including whether the District acquired any benefits, i.e. frequent flyer miles when using the cards. General Manager Lamb explained that the bank we use does not provide any programs and none of the airlines or hotels we use allows corporate accumulation of bonus points, only individuals. No follow up information was requested by the Board.

15-02-12 MOTION WAS MADE by Director Sannella, seconded by Director Elitharp, and carried unanimously, to adopt the resolution.

Resolution No. 1462 - the roll call vote was as follows:

AYES: Elitharp, Hernandez, Martin, Sannella, Evans
NOES:
ABSTAIN:
ABSENT:
CALL FOR CANDIDATES – CASA BOARD OF DIRECTORS

General Manager Lamb stated that CASA is seeking nominations for four open seats on their Board of Directors for three-year terms beginning August 2015. Nominations must be submitted to the Nominating Committee no later than March 2, 2015.

Director Elitharp indicated he would like to be nominated for a seat on the CASA Board of Directors.

15-02-13 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, to nominate Director Elitharp for a seat on the CASA Board of Directors.

DROUGHT UPDATE

Assistant General Manager Scaglione stated that Metropolitan Water District will not be announcing allocation information until March or April. They have defined the base year for cutbacks as the average of fiscal years 2012/2013 and 2013/2014. He also noted the following:

- The District’s December 2014 water production dropped 34.3% from last December, and 37% for January 2015 compared to January 2014.
- The twelve-month average Gallons-per-Capita-per-Day (GPCD) as of December 2014 remains below the 2013 average GPCD by 4.8 gallons, or 3.12%.
- In January 2015, monthly consumption, based on a 12-month rolling average, per base meter declined, but still exceeded the 2013 average by 0.34 units (254 gallons), or 2.3%.
- The number of drought-related telephone calls decreased in December.

General discussion took place.

This item was presented for information only.

QUARTERLY INVESTMENT REPORT

Assistant General Manager Scaglione provided an overview of the report referring to activities for the month and maturities which are at two and three years.

This item was presented for information only.

REPORTS

GENERAL MANAGER

General Manager Lamb solicited feedback from the Board regarding the sample speaker/monitor systems displayed on the dais that are under consideration for the Boardroom remodel project. The small unit with microphone/voting buttons only and the existing, larger monitors were preferred by the Board.
General Manager Lamb distributed a press release to the Board members pertaining to a sewer main break that occurred earlier today. The break has been repaired and the main was put back online at 5:15 p.m. today.

DISTRICT LEGAL COUNSEL

Legal Counsel Scott reported on new Fair Political Practice Commission (FPPC) regulations relating to a public official’s real property interests that would disqualify the official from participating in a governmental decision. He distributed a memo to the Board members reflecting the changes.

SAN DIEGO COUNTY WATER AUTHORITY

President Evans stated that the SDCWA is partnering with five turf suppliers for their turf replacement program. The turf suppliers will give consumers (residential, commercial and public sector) a 10% discount on turf material and installation. She also commented on turf replacement data for all of the member agencies from March 2013 to December 31, 2014 which indicates 504,000 square feet of turf has been replaced; $721,500 in rebates has been paid out; and 68 acre feet of water has been saved.

ENCINA WASTEWATER AUTHORITY

Director Hernandez reported on his attendance to the EWA Board meeting at which the chair and vice-chair were seated. He stated that the Capital Improvement Committee did not meet in January.

Director Elitharp stated that Assistant General Manager Scaglione attended the Board meeting on his behalf as he was attending a training conference.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Directors Sannella, Martin, Hernandez and President Evans reported on their attendance to the CASA Winter Conference.

Director Elitharp’s written report on his attendance to the Special District Leadership Academy was provided electronically and is on file.

Director Hernandez left the Board meeting at 6:45 p.m.

OTHER BUSINESS

QUARTERLY BOARD EXPENSES

This information was provided per Ordinance 190; no action required.
DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Sannella requested the topic of metrics for the District’s key performance measurements be placed on a future Board agenda for discussion. General Manager Lamb said staff would look into what metrics are currently tracked for future discussion. Director Sannella stated not a rush, just something he wants the Board to consider.

Director Martin inquired when the topic of firms to interview for the audit process will be scheduled. General Manager Lamb stated he will communicate this information to the Board when proposals have been received.

ADJOURNMENT

There being no further business to discuss, President Evans adjourned the Regular Meeting of the Board of Directors at the hour of 6:57 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, February 18, 2015, at 4:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

________________________
Betty D. Evans, President
Board of Directors
Vallecitos Water District

ATTEST:

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