AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
TUESDAY, MARCH 3, 2015, AT 4:00 P.M.
AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

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 MARCH 3, 2015

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. BOARD WORKSHOP MEETING - FEBRUARY 11, 2015
B. REGULAR BOARD MEETING - FEBRUARY 18, 2015
C. FINANCE COMMITTEE MEETING – FEBRUARY 25, 2015

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

1.2 WARRANT LIST THROUGH MARCH 3, 2015 – $2,314,019.58

Recommendation: Approve Warrant List

1.3 SPRING 2015 SPLASH! – VALLECITOS WATER DISTRICT QUARTERLY NEWSLETTER

Recommendation: Approve the Spring 2015 SPLASH! Newsletter
AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
March 3, 2015

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

ACTION ITEMS

2.1 AWARD OF CONSTRUCTION CONTRACT FOR TWIN OAKS RESERVOIR: ON-SITE GENERATION OF SODIUM HYPOCHLORITE

The Twin Oaks Reservoir Chlorination Facility uses 100% chlorine gas for water disinfection.

Recommendation: Award purchase and installation contract to PSI

2.2 AWARD OF CONSTRUCTION CONTRACT FOR MAHR RESERVOIR: ON-SITE GENERATION OF SODIUM HYPOCHLORITE

District staff has been evaluating the use of different chemicals for the past two years as a way to control the growth of algae in the Mahr Reservoir.

Recommendation: Award purchase and installation contract to PSI

2.3 AWARD OF LIFT STATION NO. 1 PUMP IMPROVEMENTS AND ADOPTION OF RESOLUTION FOR LABOR COMPLIANCE PROGRAM

This project will increase the pumping capacity of sewer flow to the Meadlowlark Reclamation Facility.

Recommendation: Adopt resolution and award construction contract to AtoM Engineering Construction, Inc.

2.4 SAN DIEGO NORTH ECONOMIC DEVELOPMENT COUNCIL (SDNEDC) SUMMIT

The SDNEDC will be holding an Economic Summit on March 10, 2015.

Recommendation: Request Board direction

2.5 CALL FOR PUBLIC HEARING- ORDINANCE NO. 190, PER DIEM REVIEW

Public Hearing to discuss increase in Board member per diem.

Recommendation:

*****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 MEETINGS

ACWA Spring Conference
May 4-8 – 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

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, February 27, 2015.

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

Girl Scout Troop No. 1108 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
Administrative Services Manager Emmanuel
District Engineer Gumpel
Operations & Maintenance Manager Pedrazzi
Accounting Supervisor Owen
Public Information/Conservation Supervisor Robbins
Executive Secretary Posvar
Administrative Secretary Johnson

ADOPT AGENDA FOR THE REGULAR MEETING OF MARCH 3, 2015

15-03-01 MOTION WAS MADE by Director Hernandez, seconded by Director Elitharp, and carried unanimously, to adopt the agenda for the Regular Board Meeting of March 3, 2015.

ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

15-03-02 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes
   A. Board Workshop Meeting – February 11, 2015
   B. Regular Board Meeting – February 18, 2015
   C. Finance/Investment Committee Meeting – February 25, 2015

1.2 Warrant List through March 3, 2015 - $2,314,019.58

1.3 Spring 2015 SPLASH! – Vallecitos Water District Quarterly Newsletter
ACTION ITEMS

AWARD OF CONSTRUCTION CONTRACT FOR TWIN OAKS RESERVOIR: ON-SITE GENERATION OF SODIUM HYPOCHLORITE

Operations & Maintenance Manager Pedrazzi stated that the Twin Oaks Reservoir Chlorination Facility uses 100% chlorine gas for water disinfection. Chlorine gas is an excellent disinfectant; however, it is an acute respiratory hazard and its use requires the District to maintain expensive safety equipment and meet strict regulatory standards set by the US EPA and OSHA. Replacing the chlorine gas system with the on-site generation of sodium hypochlorite, which is 0.8% bleach, will remove the acute hazard from the site and the District would no longer be required to maintain the safety equipment or the regulatory programs.

Staff received proposals for the purchase and installation of on-site generation systems from two of the four manufacturers they requested bids from. After evaluating the proposals and qualifications, staff determined that PSI was the lowest responsive, responsible bidder.

Staff recommended the Board award the purchase and installation of the on-site generation system to PSI in the amount of $474,900, subject to the provisions of the contract.

General discussion took place.

15-03-03 MOTION WAS MADE by Director Sannella, seconded by Director Hernandez, and carried unanimously, to award the construction contract to PSI.

AWARD OF CONSTRUCTION CONTRACT FOR MAHR RESERVOIR: ON-SITE GENERATION OF SODIUM HYPOCHLORITE

Operations & Maintenance Manager Pedrazzi stated that the reclaimed water produced at the District’s Meadowlark Reclamation Facility and stored in the Mahr Reservoir contains high levels of phosphorus and nitrogen, providing a good environment for the growth of algae. The water quality in Mahr Reservoir is degraded by high levels of algae, which can create issues with water color and clogging customers’ distribution systems. Staff has been evaluating the use of different chemicals, including sodium hypochlorite, to control the growth of algae. An on-site generation of sodium hypochlorite (bleach) system will be installed in order to control the levels of algae growing in the reservoir and provide a better quality of water.

Staff received proposals for the purchase and installation of on-site generation systems from two of the four manufacturers bids were requested from. After evaluating the proposals and qualifications, staff determined that PSI was the lowest responsive, responsible bidder.
Staff recommended the Board award the purchase and installation of the on-site generation system to PSI in the amount of $363,400, subject to the provisions of the contract.

General discussion took place.

15-03-04 MOTION WAS MADE by Director Hernandez, seconded by Director Elitharp, and carried unanimously, to award the construction contract to PSI.

AWARD OF LIFT STATION NO. 1 PUMP IMPROVEMENTS AND ADOPTION OF RESOLUTION FOR LABOR COMPLIANCE PROGRAM

District Engineer Gumpel stated that Lift Station No. 1 currently pumps approximately 2,000 gallons per minute (gpm) of sewer flow to the Meadowlark Reclamation Facility (MRF). This project will increase the pumping capacity to approximately 3,100 gpm through the installation of a new pump, thereby increasing the amount of recycled water that can be produced at MRF. Increased production will further assist the District in optimizing existing contracts with the Carlsbad Municipal Water District (CMWD) and the Olivenhain Municipal Water District (OMWD) for the purchase of recycled water. This project will also replace an older 700 gpm pump with a new 700 gpm pump and make necessary structural, electrical, and mechanical upgrades to the facility.

Staff and Counsel evaluated bids from eight contractors and determined that AtoM Engineering Construction, Inc. was the lowest responsive, responsible bidder.

He further stated that as part of this project, Proposition 84 funding will be utilized and therefore labor compliance enforcement will be required for this project. Since the District does not have an approved Labor Compliance Program with the State Department of Industrial Relations, the assistance from a third party reviewer is required. The District received a cost proposal from a qualified reviewer, Golden State Labor Compliance, LLC, for an amount of $5,620. Staff has reviewed the proposal and has determined that it is acceptable.

Staff recommended the Board adopt the resolution for the Labor Compliance Program and award the construction contract to AtoM Engineering Construction, Inc. in the amount of $443,398, subject to provisions of the contract.

General discussion took place.

15-03-05 MOTION WAS MADE by Director Hernandez, seconded by Director Elitharp, and carried unanimously, to adopt the resolution.

Resolution No. 1465 – the roll call vote was as follows:
AYES: Elitharp, Hernandez, Martin, Sannella, Evans
NOES:
ABSTAIN:
ABSENT:

15-03-06 MOTION WAS MADE by Director Sannella, seconded by Director Evans, and carried unanimously, to award the construction contract to AtoM Engineering Construction, Inc.

SAN DIEGO NORTH ECONOMIC DEVELOPMENT COUNCIL (SDNEDC) SUMMIT

General Manager Lamb stated that the SDNEDC will be holding an Economic Summit on March 10, 2015. At the February 4, 2015 Board meeting, Director Sannella requested the Board consider sponsoring the SDNEDC Economic Summit for the amount of $1,500.

Director Sannella stated that the Board has approved $5,000 to be spent with the SDNEDC this year toward various activities. The cost of sponsoring a table at the SDNEDC Economic Summit would have come out of that amount; however, due to the short notice of the event, there would not be sufficient time to fill up a table and put together a booth at the event.

General discussion took place regarding other events the SDNEDC may hold this year. The consensus of the Board was to decline sponsoring a table for the SDNEDC Economic Summit and use those funds toward co-hosting a water symposium with other agencies later this year.

CALL FOR PUBLIC HEARING – ORDINANCE NO. 190, PER DIEM REVIEW

President Evans stated that the Board needs to call for a Public Hearing on Ordinance No. 190 for review of the per diem increase the Board approved at the February 18, 2015 Board meeting.

General Manager Lamb outlined the steps necessary in the process of changing the per diem:

1) The Public Hearing will be held at which discussion will take place regarding increasing the per diem rate per meeting from $150 to $200.
2) Upon the conclusion of the Public Hearing, the Board will review the proposed changes to Ordinance No. 190 regarding increasing the per diem, including language that states the Board may consider an annual Cost of Living Adjustment (up to five percent) that will be publicly noticed in the same manner as the per diem increase.
3) Upon adoption of the revised ordinance, a 60 day waiting period is required before the increase can take effect.
4) Thereafter, this topic will be presented to the Board annually in March when the Cost of Living Adjustment information becomes available.

Staff recommended the Board call for a Public Hearing to be held at the regular Board meeting of March 18, 2015.

15-03-07 MOTION WAS MADE by Director Hernandez, seconded by Director Martin, and carried unanimously, to call for a Public Hearing on March 18, 2015.

REPORTS

GENERAL MANAGER

General Manager Lamb reported on the following:

- At the Member Agencies Management Meeting he attended today, the members reached resolution on a new fixed revenue component, use of the rate stabilization funds for price volatility and the transitional agricultural water program for the San Diego County Water Authority (SDCWA).
- At their Board meeting on February 26, the SDCWA approved the desalination contract with Vallecitos Water District and the City of Carlsbad. General Manager Lamb asked for a provision to be added so that the District can request, on behalf of the SDCWA, the local development rebate from Metropolitan to receive credit in the amount of $250 per acre foot of water.
- In 2005, the District issued Certificates of Participation (COP) for the treatment plant expansion in Twin Oaks. In 2007, the District locked the COP to a fixed rate. Assistant General Manager Scaglione has been monitoring the market carefully, and currently the market is favorable for refunding and re-issuing the COP which could save the District approximately $4.7 to $4.8 million dollars on long-term debt. The District’s financial consultant will most likely attend the March 18 Board meeting to discuss several options in more detail.
- He distributed to the Board a copy of a press release issued today by the California Department of Water Resources which described the snow pack as being extremely dry and well below normal levels.
- The District received a letter from ACWA/JPIA indicating a 10% reduction in the amount of the District’s deposit for real property premiums this year.
- He provided a copy of a flier detailing the Garden Friendly Plant Fair in San Marcos taking place at the Home Depot on April 18 which the District is co-hosting.

DISTRICT LEGAL COUNSEL

None.
SAN DIEGO COUNTY WATER AUTHORITY

Director Evans reported on the February 26 Board meeting at which it was discussed that the Colorado River is receiving water this year, but may be in a drought situation in 2016 or 2017. The turf replacement program is not the most cost-effective way to save water, but the hope is that it will change people's minds and hearts and push for a lifestyle change. The SDCWA is conducting a new county-wide public opinion poll, contacting 1,000 people via phone and internet, covering such topics as willingness to pay for improved water reliability, perception of the value of water, awareness of current use and what motivates conservation, awareness and acceptance of indirect potable water, and their understanding of the SDCWA’s role in the process. Results of the poll are expected to be available in April or May.

ENCINA WASTEWATER AUTHORITY

Director Hernandez stated that the next Capital Improvement Committee meeting is scheduled for March 18.

Director Elitharp reported on his attendance to the Board meeting on February 25 at which the Board authorized staff to advertise a Request for Proposal (RFP) for a plant process automation study to integrate all control systems and also for the 2015 ocean outfall maintenance external inspection services. The Board also met in executive session to discuss labor relations.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Elitharp’s written report on his attendance to the San Marcos State of the City Address was provided electronically and is on file.

Directors Martin, Sannella and Hernandez, and President Evans reported on their attendance to the CSDA San Diego Chapter Quarterly meeting on February 12.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Martin, on behalf of the San Marcos Chamber of Commerce, thanked the Board members who attended the State of the City Address, and commented that the table centerpieces the District provided for the event were well received. He also stated that the Chamber of Commerce Street Fair is coming up and has asked staff to provide the water faucet barrel and a rain barrel for the event.
Director Sannella stated that the District received many positive hits on its social media sites about the table centerpieces the District provided for the State of the City Address.

Director Sannella suggested Board members attend the rain barrel event when it takes place again in the future.

Director Elitharp stated that he attended the State of the City Address and that the District received many favorable comments from the Mayor’s address.

ADJOURNMENT

There being no further business to discuss, President Evans adjourned the Regular Meeting of the Board of Directors at the hour of 5:41 p.m.

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