AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, APRIL 1, 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 APRIL 1, 2015

INTRODUCTION

Human Resources Technician Bridget Anderson will introduce new employee, Ryan Kincade, Construction Worker I.

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 - MARCH 18, 2015
B. FINANCE/INVESTMENT COMMITTEE MEETING - MARCH 23, 2015
C. FINANCE/INVESTMENT COMMITTEE MEETING - MARCH 25, 2015

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes
1.2 WARRANT LIST THROUGH APRIL 1, 2015 – $1,267,071.71

Recommendation: Approve Warrant List

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

ACTION ITEMS

2.1 APPROVAL OF CONSTRUCTION AGREEMENT FOR PRESTIGE ACADEMY PRE-SCHOOL, APN: 223-812-02 (PPO CARLSBAD, LLC)

The project is located east of Rancho Santa Fe Road and north of San Elijo Road in the City of Carlsbad.

Recommendation: Approve construction agreement

2.2 REQUEST FOR ANNEXATION OF 4 LOTS, APN: 222-121-23, 24, 25 & 26 – SMUSD DOUBLE PEAK K-8 SCHOOL (SAN MARCOS UNIFIED SCHOOL DISTRICT)

The project is located at 111 San Elijo Road, San Marcos, south side of San Elijo Road, northwest of Attebury Road.

Recommendation: 1) Authorize request for annexation, subject to conditions
2) Authorize General Manager to enter into agreement with SMUSD to complete annexation

2.3 AWARD OF DESALINATED WATER CONNECTION

The project includes the installation of approximately 340 feet of pipeline and a new isolation vault at the Vallecitos 9 Flow Control Facility.

Recommendation: 1) Increase budget $670,000
2) Award construction contract

*****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

*****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, March 27, 2015.

Diane Posvar
In the absence of President Evans and Vice President Sannella, Board Secretary Lamb called the Regular meeting to order at the hour of 4:00 p.m.

He stated that in accordance with Ordinance No. 194, Section 1.4, a President Pro Tem must be elected by the majority of the Board to conduct this meeting.

15-04-01 MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried unanimously, with Directors Evans and Sannella absent, to elect Director Hernandez to serve as President Pro Tem for this meeting.

Director of Engineering & Operations Gerdes led the pledge of allegiance.

Present: Director Elitharp
          Director Hernandez
          Director Martin

Absent: Director Evans
         Director Sannella

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
              Capital Facilities Senior Engineer Hubbard
              Accounts Analyst Kirby
              Human Resources Technician Anderson
              Executive Secretary Posvar
              Administrative Secretary Johnson

Others Present: Chad Conrad, San Marcos Unified School District

ADOPT AGENDA FOR THE REGULAR MEETING OF APRIL 1, 2015

15-04-02 MOTION WAS MADE by Director Elitharp, seconded by Director Martin, and carried unanimously, with Directors Evans and Sannella absent, to adopt the agenda for the Regular Board Meeting of April 1, 2015.

INTRODUCTION

Human Resources Technician Bridget Anderson introduced new employee, Ryan Kincade, Construction Worker I.
ORAL COMMUNICATIONS

Mike Hunsacker, member of the public, addressed the Board commenting on Governor Brown’s Executive Order announced today. The crux of the issue is that we live in a desert. We’ve been able to ignore that through a rainy century and a lot of imported water. The latest scientific study that he’s seen shows that we are probably in for an extended drought. Previous studies that he’s seen indicated 100 years; the latest is 200 years. It’s interesting because it’s from the same data that predicted global warming which was known about decades ago.

He stated that he thinks it is imperative that when we do our Master Water Plan, we take into account these long range affects and that we live in a desert. He also thinks that since we are required to start cutting back on water consumption, that we declare a moratorium on building. Some of the global warming advocates are saying the global warming and all of the negative aspects will be coming 50 to 80 years from now; then it will be really bad. You can’t have it both ways. If you are going to be sustainable, you have to be sustainable now, and high density infill adding population is not in accordance with these smart growth principles. He thanked the Board.

CONSENT CALENDAR

15-04-03  MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried unanimously, with Directors Evans and Sannella absent, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

A. Regular Board Meeting – March 18, 2015
B. Finance/Investment Committee Meeting – March 23, 2015
C. Finance/Investment Committee Meeting – March 25, 2015

1.2 Warrant List through April 1, 2015 - $1,267,071.71

ACTION ITEMS

APPROVAL OF CONSTRUCTION AGREEMENT FOR PRESTIGE ACADEMY PRESCHOOL, APN: 223-812-02 (PPO CARLSBAD, LLC)

District Engineer Gumpel stated that this project is located on the corner of Rancho Santa Fe Road and San Elijo Road. The project will construct approximately 693 feet of 10-inch diameter PVC water main, water services and a sewer lateral. All engineering and inspection fees have been paid, and bonds have been received. Per Resolution No. 1441, Capital Facility fees will be due prior to final building inspection and/or utility release.
Staff recommended the Board approve the construction agreement.

15-04-04 MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried unanimously, with Directors Evans and Sannella absent, to approve the construction agreement.

REQUEST FOR ANNEXATION OF 4 LOTS, APN: 222-121-23, 24, 25 & 26 – SMUSD DOUBLE PEAK K-8 SCHOOL (SAN MARCOS UNIFIED SCHOOL DISTRICT)

General Manager Lamb stated that the San Marcos Unified School District (SMUSD) is requesting annexation into the Vallecitos Sewer Improvement District for sewer service for a new school located at 111 San Elijo Road. A portion of an adjacent parcel of land needed for the project belongs to a private party who has an agreement in escrow with SMUSD that upon his passing SMUSD will acquire the property. SMUSD and the District have drafted an agreement stating that all annexation fees are to be paid forthwith for that portion of the parcel to guarantee the future annexation. Annexation approval is subject to the following conditions:

1. Payment of Annexation fee of $7,680.00 per acre (14.896 acres) = $114,401.28
2. Payment of Administration fee of $2,000.00
3. Payment of State Board of Equalization fee of $800.00
4. Submit copy of title report with metes and bounds legal description of the property to be annexed including tract maps and traverse calculations, if applicable.
5. No construction of or connection to District water and sewer facilities will be allowed until completion of annexation, payment of annexation fees, completion of water and sewer facilities required for the property, and payment of all current fees and charges.
6. Completion of annexation within 90 days of initial Board approval.
7. Complete future annexation per agreement between San Marcos Unified School District and Vallecitos Water District for APN 222-121-04 (Pearson Parcel).

General discussion took place.

Staff recommended the Board approve the annexation, subject to conditions, and authorize General Manager Lamb to enter into an agreement with SMUSD to complete the annexation.

15-04-05 MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried unanimously, with Directors Evans and Sannella absent, to approve the annexation and authorize the agreement with SMUSD to complete the annexation.
AWARD OF DESALINATED WATER CONNECTION

District Engineer Gumpel provided historical background on this project.

On November 21, 2012, the District adopted a Resolution of Intent to enter into a Uniform Member Agency Purchase Contract with the San Diego County Water Authority (SDCWA) for the direct purchase of 3,500 acre-feet per year of desalinated water from the Carlsbad Desalinated Water Facility when it comes on-line in 2016.

On April 16, 2014, the Board approved a reimbursement agreement with the SDCWA for construction of a new turn-out connection and approximately 230 of 340 feet of 16-inch pipeline. This portion of the pipeline is on SDCWA property and will be constructed by their contractor.

On January 7, 2015, the Board approved an agreement obligating the District to be responsible for the cost of the design and construction of an isolation valve vault and the remaining 110 feet of 16-inch pipeline to complete the new turn-out connection, and fund a $16,000 deposit used to reimburse the SDCWA for providing review and oversight.

On March 16, 2015, staff received and opened bids from three contractors for the remaining portion of the project. Upon review of the qualifications, staff and Counsel determined J.R. Filanc Construction to be the lowest responsive, responsible bidder.

District Engineer Gumpel discussed the budget shortfall of this project in the amount of $670,000 which can be contributed to several factors including budget increases in construction bids, increased cost of materials such as piping and valves, and late design changes. Additionally, in order to meet the project deadline set by the SDCWA's shutdown schedule, the District needed to purchase materials on a rushed basis, which also contributed to increased costs.

General discussion took place.

Staff recommended the Board increase the budget $670,000 and award the construction contract to J.R. Filanc Construction in the amount of $452,759 for the desalinated water connection project, subject to provisions of the contract.

15-04-06 MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried unanimously, with Directors Evans and Sannella absent, to increase the budget $670,000 and award the construction contract to J.R. Filanc Construction.

REPORTS
GENERAL MANAGER

General Manager Lamb discussed the Governor’s Executive Order B-29-15 issued today, of which a copy was provided to the Board. He highlighted several provisions of the Executive Order that would directly impact the District, including the following:

- It is effective immediately.
- It requires a statewide 25% reduction in potable urban water usage (as compared to usage in 2013) through February 28, 2016.
- Irrigation of ornamental turf with potable water on public street medians is prohibited.
- Irrigation with potable water outside of newly constructed homes and buildings that is not delivered by drip or microspray systems is prohibited.
- Urban water suppliers will be directed to develop rate structures and other pricing mechanisms, including but not limited to surcharges, fees, and penalties, to maximize water conservation consistent with statewide water restrictions.
- The State Model Water Efficient Landscape Ordinance will be updated through expedited regulation, increasing water efficiency standards for new and existing landscapes through more efficient irrigation systems, greywater usage, onsite storm water capture, and by limiting the portion of landscapes that can be covered in turf.

He commented that the Executive Order contains provisions that limit the transfer of water and keep water in certain areas; however, it is unknown at this time how this will affect the amount of water coming from the Department of Water Resources to the State Water Project.

General Manager Lamb stated that Metropolitan’s Board of Directors will be meeting on April 14 and he will keep the Board apprised of any actions taken at that meeting. The SDCWA Board will be meeting on April 23 and depending on the action taken at that meeting, the May 20 Board meeting may have to move up in case the Board needs to take action. The May 6 Board meeting is in conflict with the ACWA Conference and will need to be addressed.

DISTRICT LEGAL COUNSEL

Legal Counsel Scott commented that the 25% reduction in water usage mandated today by the Governor is unprecedented in California’s history. In his opinion, this mandate is statewide and at the local level, the District will have little control.

SAN DIEGO COUNTY WATER AUTHORITY

General Manager Lamb stated that he attended the SDCWA Board meeting last week on behalf of President Evans who was unable to attend. He reported that there was much discussion about water allocations during the meeting.
ENCINA WASTEWATER AUTHORITY

Director Hernandez stated that there has not been a Capital Improvement Committee meeting since the District’s last Board meeting; however, he reported on his attendance to the EWA Board meeting at which discussion included the insurance claim for the heating element fire, final acceptance of the plant rehabilitation, and in closed session, labor relations.

Director Elitharp stated that there has not been a Policy and Finance Committee meeting since the District’s last Board meeting.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Elitharp’s written report on his attendance to the Council of Water Utilities meeting was provided electronically and is on file.

Director Martin commented on the ACWA Region 10 Board of Directors conference call he participated in today.

OTHER BUSINESS

Director Hernandez stated he received notification of a webcast regarding drought strategies but didn’t have all the information. General Manager Lamb stated he will look into it and provide additional information to the Board.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Martin commented on letters the District received from Mr. Starbuck regarding an odor complaint at his residence near one of the District’s pumping stations. He met with Mr. Starbuck recently to discuss the matter. Director Martin stated that he visited the pumping station and saw for himself the improvements staff is making there. He commended staff for doing all they can to correct this problem.

Director Martin stated that the ACWA Region 10 Board held a conference call today to elect a new President as Peer Swan retired. Larry McKinney was elected to serve as President.

ADJOURNMENT

There being no further business to discuss, President Hernandez adjourned the Regular Meeting of the Board of Directors at the hour of 4:53 p.m.
A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, April 15, 2015, at 4:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

James Hernandez, President Pro Tem
Board of Directors
Vallecitos Water District

ATTEST:

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