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 AUGUST 5, 2015

INTRODUCTION

Human Resources Technician Bridget Anderson will introduce new employee, David Hernandez, Construction Systems Worker I.

PRESENTATIONS

President Evans will present Marc Smith, Wastewater Treatment Plant Operator I, with his Certificate for Wastewater Treatment Plant Operator Grade II from the State Water Resources Control Board.

President Evans will present Ivan Murguia, Wastewater Treatment Plant Operator II, with his Certificate for Wastewater Treatment Plant Operator Grade III from the State Water Resources Control Board.

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 - JULY 15, 2015
B. BOARD WORKSHOP MEETING – JULY 20, 2015

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

1.2 WARRANT LIST THROUGH AUGUST 5, 2015 – $5,349,918.41

Recommendation: Approve Warrant List

1.3 CUSTOMER SERVICE CALLS MONTHLY REPORT

Recommendation: For Information Only

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

ACTION ITEMS

2.1 RESOLUTION ESTABLISHING A CAPITAL ASSET POLICY

The District’s capital asset threshold was last increased on September 5, 2007.

Recommendation: Adopt resolution

2.2 REQUEST FOR RESOLUTION ENDORSING DIRECTOR KATHLEEN TIEGS FOR THE POSITION OF ACWA PRESIDENT

Cucamonga Valley Water District is requesting Vallecitos Water District support Director Kathleen Tiegs by way of a resolution in her bid for ACWA President.

Recommendation: Request Board direction

2.3 CALIFORNIA ASSOCIATION OF SANITATION AGENCIES ELECTION OF DIRECTORS FOR FISCAL YEAR 2016

CASA will conduct the election of Directors for FY 2016 at the CASA Conference in August.

Recommendation: For information only

2.4 QUARTERLY INVESTMENT REPORT

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 POSSIBLE CHANGE IN REGULAR BOARD OF DIRECTORS MEETING DATE

The CASA Annual Conference scheduled August 19-21 conflicts with the regularly scheduled Board of Directors meeting on August 19.

Recommendation: Request Board direction

4.2 QUARTERLY BOARD EXPENSES

For information only.

Recommendation: No action required

*****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, July 31, 2015.

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

Operations & Maintenance Manager Pedrazzi led the pledge of allegiance.

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

Staff Present: Assistant General Manager Scaglione
Legal Counsel Scott
Administrative Services Manager Emmanuel
Finance Manager Fusco
Operations & Maintenance Manager Pedrazzi
Human Resources Technician Anderson
Executive Secretary Posvar
Administrative Secretary Johnson

ADOPT AGENDA FOR THE REGULAR MEETING OF AUGUST 5, 2015

15-08-01 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, to adopt the agenda for the Regular Board Meeting of August 5, 2015.

INTRODUCTION

Human Resources Technician Bridget Anderson introduced new employee, David Hernandez, Construction Systems Worker I.

PRESENTATIONS

President Evans presented Marc Smith, Wastewater Treatment Plant Operator I, with his Certificate for Wastewater Treatment Plant Operator Grade II from the State Water Resources Control Board, and Ivan Murguia, Wastewater Treatment Plant Operator II, with his Certificate for Wastewater Treatment Plant Operator Grade III from the State Water Resources Control Board.

ORAL COMMUNICATIONS

Mike Hunsaker, member of the public, addressed the Board commenting on the inefficiencies of some of the Master Water Plans. One of the major concerns is proper consideration of new development that is going in which is mostly high density apartments. He stated that the District has a very good figure for how much water comes into the District and how much sewage comes out, which is about 80%. Whether a person lives in a house or in an apartment, it is immaterial because they are going to produce about the same amount of sewage one way or the other. As a
consequence, there are a lot of gaps in how the Master Water Plan considers high density and apartments. The question really should be how many people are there? The number of people is pretty much dictated by the number of bedrooms, not by the zoning. The zoning usually has broad categories of numbers of apartments. It doesn’t have any designation as to how many bedrooms there are, and it does not have any accounting for density bonuses which can be 10% to 20% above what the nominal zoning is. All of these factors can be abused. The current plans for new developments which will be outside and not considered a part of this plan are high density developments. He thinks this needs to be rectified. We need a much better measure of what is to be built and how charges are to be made. The present plan, especially when it only considers what projects are currently approved, does not fit the pattern. Moreover, all of the developers are pushing for “streamlining” red tape reduction which greatly reduces the time it takes to get new projects developed. Who is going to pay for these new developments? As it is being set up now, it’s going to be all the other rate payers picking up over 90% of the cost of these new developments’ facilities. We are behind schedule in our budgeting for waste and sewage, so these diversions are going to become much more massive and important in the future. He thanked the Board.

CONSENT CALENDAR

15-08-02 MOTION WAS MADE by Director Elitharp, seconded by Director Sannella, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

A. Regular Board Meeting – July 15, 2015
B. Board Workshop Meeting – July 20, 2015

1.2 Warrant List through August 5, 2015 - $5,349,918.41

1.3 Customer Service Calls Monthly Report

Director Martin requested clarification on the warrant list with respect to payments made to Recycled Aggregate Materials Company, Inc. and Hodge Products, Inc., to which staff responded.

ACTION ITEMS

RESOLUTION ESTABLISHING A CAPITAL ASSET POLICY

Finance Manager Fusco stated that historically the asset capitalization threshold has been combined with the purchasing policy. In accordance with the Government Finance Officers Association (GFOA) Best Practices and auditor recommendations, a capital asset policy should be separate from the purchasing policy and both policies should be reviewed independently.
He further stated the District’s capital asset threshold was last increased on September 5, 2007 from $2,500 to $5,000. In 2006, the GFOA Best Practice recommended the minimum capital asset threshold of $5,000. The District is incurring an increasing number of capital expenditures over $5,000 as a result of rising costs that would be better classified as operating expenses due to the nature of the item’s use. A capital asset threshold of $10,000 will be more efficient and cost effective.

Staff recommended the Board adopt the proposed resolution establishing a capital asset policy and increasing the capital asset threshold to $10,000.

General discussion took place.

15-08-03 MOTION WAS MADE by Director Sannella, seconded by Director Hernandez, and carried unanimously, to adopt the resolution.

Resolution No. 1478 - The roll call vote was as follows:

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

REQUEST FOR RESOLUTION ENDORSING DIRECTOR KATHLEEN TIEGS FOR THE POSITION OF ACWA PRESIDENT

Assistant General Manager Scaglione stated Director Kathleen Tiegs is currently the Vice President of the Association of California Water Agencies (ACWA) and is seeking the position of ACWA President. James Curatalo, Jr., President for Cucamonga Valley Water District, is requesting Vallecitos Water District Board of Directors adopt a resolution endorsing the nomination of Director Kathleen Tiegs as ACWA President.

General discussion took place.

15-08-04 MOTION WAS MADE by Director Hernandez, seconded by Director Elitharp, and carried unanimously, to adopt the resolution.

Resolution No. 1479 – The roll call vote was as follows:

AYES: Elitharp, Hernandez, Martin, Sannella, Evans
NOES:
ABSTAIN:
ABSENT:
CALIFORNIA ASSOCIATION OF SANITATION AGENCIES ELECTION OF DIRECTORS FOR FISCAL YEAR 2016

Assistant General Manager Scaglione stated the California Association of Sanitation Agencies (CASA) is conducting its annual business meeting on August 19-20, during the annual CASA Conference which will consist of the election of Directors for FY 2016. The membership will be asked to approve a slate of four nominees for the open seats on the Board of Directors. The slate was recommended by a five-member nominating committee and approved by the Board of Directors. In addition to the elected Directors, the President will appoint a new Associates Director to a one-year term. The Board of Directors will then elect a President, Vice President and Secretary-Treasurer.

Director Elitharp, the District’s CASA delegate, will be unable to attend the conference. President Evans, as the District’s alternate delegate, will attend and vote on behalf of the District.

This item was presented for information only. No action was taken.

QUARTERLY INVESTMENT REPORT

This item was presented for information only.

REPORTS

GENERAL MANAGER

Assistant General Manager Scaglione commented on the recent newspaper article which presented the conservation results of various water agencies. According to the State Water Resources Control Board, the District achieved a 33.8% reduction in water usage in June which is well above the 24% mandated amount. Preliminary data indicates the District’s reduction in July was 37.7%.

DISTRICT LEGAL COUNSEL

Legal Counsel Scott reported on the meeting this afternoon of the San Diego City Council’s Environmental Committee who is hearing a recommendation from the Public Utilities Department to raise San Diego’s water rates by 17%; 10% on January 1, 2016, and 7% on July 1, 2017. Lower revenues and increased costs of water are cited as the reasons for the increase.

SAN DIEGO COUNTY WATER AUTHORITY

President Evans stated a representative from the Scripps Institution of Oceanography provided a presentation on El Niño. There is a very strong chance the El Niño will occur; however, temperatures will remain higher, effecting the rain amounts and snow levels in the northern part of the state.
The SDCWA Board room has a new electronic system and monitor which makes speaking and voting more efficient.

The lawsuit concerning the coast keepers and the desalination plant has been settled. The judge has ruled in favor of the SDCWA.

ENCINA WASTEWATER AUTHORITY

The next Capital Improvement Committee meeting is scheduled on August 19.

The next Policy and Finance Committee meeting is scheduled for August 11.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Sannella reported on his attendance to the National Night Out event that took place on August 4 at Connors Park in San Marcos.

Director Elitharp reported on his attendance to the Council of Water Utilities meeting on July 21.

President Evans stated that she attended the Council of Water Utilities representing the SDCWA.

OTHER BUSINESS

POSSIBLE CHANGE IN REGULAR BOARD OF DIRECTORS MEETING DATE

Assistant General Manager Scaglione stated the CASA Annual Conference scheduled for August 19 - 21 conflicts with the regularly scheduled Board of Directors meeting on August 19 and that a quorum would not be met for the Board meeting.

15-08-05 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, to cancel the August 19 Board of Directors meeting.

The roll call vote was as follows:

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

QUARTERLY BOARD EXPENSES

This information was provided per Ordinance 194; no action required.
DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Martin expressed his interest in attending the ACWA Region 10 “Desalination Today for Water Tomorrow” event on August 14.

ADJOURNMENT

There being no further business to discuss, President Evans adjourned the Regular Meeting of the Board of Directors at the hour of 4:41 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, September 2, 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:

Tom Scaglione, Treasurer
Board of Directors
Vallecitos Water District