AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
TUESDAY, DECEMBER 8, 2015, AT 4:00 P.M.
AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT SANNELLA

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 DECEMBER 8, 2015

1.1 BOARD APPOINTMENTS

Annual Board appointments for 2016.

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 18, 2015

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes
2.2 WARRANT LIST THROUGH DECEMBER 8, 2015 – $2,900,710.16

Recommendation: Approve Warrant List

2.3 FINANCIAL REPORTS

A. WATER METER COUNT – NOVEMBER 30, 2015
B. WATER PRODUCTION/SALES REPORT – 2015/2016
C. WATER REVENUE AND EXPENSE REPORT – NOVEMBER 30, 2015
D. SEWER REVENUE AND EXPENSE REPORT – NOVEMBER 30, 2015
E. RESERVE FUNDS ACTIVITY – NOVEMBER 30, 2015
F. INVESTMENT REPORT – NOVEMBER 30, 2015

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

ACTION ITEMS

3.1 DROUGHT UPDATE

For information only.

Recommendation: No action required

3.2 AWARD OF LIFT STATION NO. 1 WATERMAN VALVES REPLACEMENT PROJECT

Valves are in need of replacement due to deterioration; vault access improvements and the application of a protective coating to the existing concrete structure are necessary.

Recommendation: Award construction contract to AtoM Engineering Construction, Inc. in the amount of $107,398, subject to provisions of the contract.

3.3 RESOLUTION FOR PROPOSED 2016 INVESTMENT POLICY

Investment Policy of the Vallecitos Water District for the calendar year 2016.

Recommendation: Affirm existing Resolution as adopted

3.4 RESOLUTION FOR DISTRICT CREDIT CARD POLICY UPDATE

Policy designates specific staff members’ authorization to utilize District credit cards while conducting official District business.

Recommendation: Adopt Resolution
3.5 SURPLUS PERSONAL PROPERTY LISTING

*Resolution No. 1312 authorizes staff to accumulate and dispose of surplus property items through a publicly noticed sale.*

**Recommendation:** Approve items to be made available for disposal through a public auction

*****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 WEF Water Tours for 2016

   March 2 - 4 – Lower Colorado River Tour
   April 13 - 15 – Central Valley Tour
   May 19 - 20 – San Diego Tour
   June 15 - 17 – Bay-Delta Tour
   October 19 - 21 – Northern California Tour
   November 2 - 3 – San Joaquin River Restoration Tour

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

6.1 DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

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

7.1 CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2); 54956.95(b) CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION (ONE CASE)

Kathryn A. Chmurny

*****END OF CLOSED SESSION*****

8.1 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 4, 2015.

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

Girl Scout Troop No. 1215 led the pledge of allegiance.

Present:
Director Elitharp
Director Evans
Director Hernandez
Director Martin (Arrived 4:07)
Director Sannella

Staff Present:
General Manager Lamb
Assistant General Manager Scaglione
Legal Counsel Scott
Administrative Services Manager Emmanuel
District Engineer Gumpel
Operations & Maintenance Manager Pedrazzi
Capital Facilities Senior Engineer Hubbard
Accounting Supervisor Owen
Public Information/Conservation Supervisor Robbins
Executive Secretary Posvar
Administrative Secretary Johnson

ADOPT AGENDA FOR THE REGULAR MEETING OF DECEMBER 8, 2015

15-12-01 MOTION WAS MADE by Director Evans, seconded by Director Hernandez, and carried unanimously, to adopt the agenda for the Regular Board Meeting of December 8, 2015.

President Sannella presented Director Evans with a book highlighting her term as President.

Director Evans thanked the Board for the opportunity to serve as President.

BOARD APPOINTMENTS

President Sannella distributed a list of committee assignments to the Board, which the Board reviewed.

15-12-02 MOTION WAS MADE by Director Hernandez, seconded by Director Martin, and carried unanimously, to approve the committee members as presented.
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
Will be assigned on as needed basis
(C) = Chairperson

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

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) FINANCE COMMITTEE
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

15-12-03 MOTION WAS MADE by Director Hernandez, seconded by Director Elitharp, and carried unanimously, to approve the Consent Calendar as presented.

2.1 Approval of Minutes

A. Regular Board Meeting – November 18, 2015

2.2 Warrant List through December 8, 2015 - $2,900,710.16

2.3 Financial Reports

A. Water Meter Count – November 30, 2015
D. Sewer Revenue and Expense Report – November 30, 2015
E. Reserve Funds Activity – November 30, 2015
F. Investment Report – November 30, 2015

ACTION ITEMS

DROUGHT UPDATE

Public Information/Conservation Supervisor Robbins stated that the record drought conditions exacerbate bark beetle infestation that is killing tens of millions of trees across California. The tree die-off is of such a scale that it significantly worsens wildfire risk in many areas of the state and presents life safety risks from falling trees to Californians living in rural, forested communities. The District has always encouraged customers to save their trees and provides information on keeping trees irrigated and healthy during the drought.

He provided the following update, noting that the data is for the month of October and has not changed much for November:

- The District’s October 2015 water production decreased 25.62% from October 2014 and 22.89% from October 2013. Data indicates a decrease of 24.8% in November 2015 and 23.5% in December 2015.
- In October 2015, customers used 83.4 gallons per day compared to October 2014, when customers used 107.9 gallons per day.
- The number of drought calls is steadily declining. The District is shifting the communication to focus on El Niño preparedness and rain water harvesting, along with the ongoing drought.
- Fiscal year-to-date water sales through October are $1.5 million, or 18.1%, less than budgeted. The impact is mitigated by the $0.6 million favorable budget
variance in water costs, and other favorable operating variances.

This item was presented for information only.

AWARD OF LIFT STATION NO. 1 WATERMAN VALVES REPLACEMENT PROJECT

District Engineer Gumpel stated the Waterman valves consist of a 30” and 36” sluice gate style valve located in a concrete vault along San Marcos Boulevard in front of the District’s Lift Station No. 1. These valves have significant deterioration due to age and the corrosive environment they are in and therefore are in need of replacement.

District staff received and opened bids from three contractors. Upon completion of the evaluation of qualifications, staff and counsel determined that AtoM Engineering Construction, Inc. was the lowest, responsive, responsible bidder.

Staff recommended the Board award the construction contract to AtoM Engineering Construction, Inc. in the amount of $107,398 for the Lift Station No. 1 Waterman valves replacement project, subject to provisions of the contract.

General discussion took place.

15-12-04  MOTION WAS MADE by Director Evans, seconded by Director Elitharp, and carried unanimously, to award the construction contract to AtoM Engineering Construction, Inc.

RESOLUTION FOR PROPOSED 2016 INVESTMENT POLICY

Assistant General Manager Scaglione stated Government Code Section 53646 provides direction to local agencies on adoption of an investment policy. The Code requires adoption at a public meeting if changes are made, but provides flexibility on annual adoption if there are no changes. As a Best Management Practice, the Board is provided annual review of changes or affirmation of the existing policy if there are no changes. He further stated that there are no proposed changes to the existing investment policy, Resolution No. 1457, adopted by the Board on November 5, 2014.

Staff recommended the Board affirm the existing policy as adopted.

15-12-05  MOTION WAS MADE by Director Evans, seconded by Director Hernandez, and carried unanimously, to affirm the existing investment policy as adopted.

RESOLUTION FOR DISTRICT CREDIT CARD POLICY UPDATE

Assistant General Manager Scaglione stated that on February 4, 2015, the Board approved Resolution No. 1462, updating the 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.

15-12-06 MOTION WAS MADE by Director Martin, seconded by Director Evans, and carried unanimously, to adopt the resolution.

Resolution No. 1483 - The roll call vote was as follows:

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

SURPLUS PERSONAL PROPERTY LISTING

Assistant General Manager Scaglione stated that Resolution No. 1312 authorizes staff to dispose of surplus property items through a publicly noticed sale. The policy states that items with an estimated value of greater than $1,000 will be approved by the Board.

Staff has identified two items with an estimated value greater than $1,000. The items are:

<table>
<thead>
<tr>
<th>Manufacturer</th>
<th>Model</th>
<th>Estimated Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cummins Generator</td>
<td>1999 - #DGFC-4484541</td>
<td>$18,000</td>
</tr>
<tr>
<td>96 Toshiba Handset Phones &amp; Strata Phone System</td>
<td>$ 1,800</td>
<td></td>
</tr>
</tbody>
</table>

Staff recommended the Board declare the items surplus property to be made available for disposal through a public auction.

General discussion took place.

15-12-07 MOTION WAS MADE by Director Hernandez, seconded by Director Evans, and carried unanimously, to approve the items to be made available for disposal.
REPORTS

GENERAL MANAGER

General Manager Lamb stated that when the State Water Resources Control Board adopted the emergency regulations, an across-the-board cutback was instituted in order to achieve a statewide 25% decrease without taking into account local supply development and conservation measures already taken. The State Regional Board held open hearings yesterday regarding the Governor’s extension of the water restrictions through the rainy season based upon rain through December. The concern is that the restrictions will be extended unilaterally even though southern California typically doesn’t receive rain until December or January. The purpose of the hearings is to provide feedback to the State to consider in regard to the temporary regulations before they become permanent.

General Manager Lamb stated that the initial allocation from the State Water Project is 10% for the year, which is the third lowest it has ever been.

Operations & Maintenance Manager Pedrazzi provided a chronology of the sewer spill that occurred this morning which involved a construction project. The Cities of Carlsbad and Vista responded to assist the District. An estimated 100,000 gallons of wastewater went into the creek; however, none went into the Batiquitos Lagoon or the Pacific Ocean. Vallecitos crews were able to pump out approximately 30,000 gallons from an area it had collected in.

He stated that the proper agencies were notified immediately and at this point, the County Environmental Health Department does not feel any environmental damage occurred.

General discussion took place.

DISTRICT LEGAL COUNSEL

Counsel Scott noted that the continuing drought is increasing the tension between developers and residents who want to maintain the status quo. Mr. Scott indicated that the District is not a land use planning body like a city or the County and does not approve development projects or direct growth. The District has a legal responsibility to reasonably provide water service. In response to a question from Director Martin, he noted that as a retailer, the District is dependent on water supplies and regulations of the Metropolitan Water District and the San Diego County Water Authority, and as long as they have adequate supplies, the District is required to provide service.
SAN DIEGO COUNTY WATER AUTHORITY

Director Evans stated the Board will hold a combined November/ December meeting on December 10 at which the State Regional Board hearings will be discussed. Discussion will also include the Bay Delta, Colorado River and Salton Sea.

The Legal/Conservation and Outreach Committee has a large number of assembly bills to be addressed, some before the end of January. The Board is hoping to co-sponsor AB 33 pertaining to large scale energy projects including hydro power pump storage. She discussed several of the bills that are being considered.

ENCINA WASTEWATER AUTHORITY

Director Elitharp reported on his attendance to the Policy and Finance Committee meeting on December 1 at which the Board meeting dates for 2016 were established. The Committee reviewed a revised integrated travel and expense reimbursement policy and the draft Fiscal Year 2015 Comprehensive Annual Financial Report.

The Capital Improvement Committee will meet on December 9.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Directors Hernandez, Martin, Elitharp, Evans and Sannella reported on their attendance to the ACWA Fall Conference.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Martin commented on information presented at the District’s desalination workshops regarding where the desalinated water is going to be distributed, in what quantities, and at what time of year.

General discussion took place regarding when the District will begin receiving desalinated water (end of December), blending of the water, taste, and the completion of testing of the pump station to take water from Olivenhain Municipal Water District.

General Manager Lamb stated that historically the Board has only met once in December. As there has been difficulty finding an acceptable date for a Board workshop meeting to discuss the communication and outreach program, he proposed scheduling the workshop on the date the second Board meeting in December would have been held, December 16. The consensus of the Board was to cancel the regular Board meeting on December 16 and schedule a Board Committee of the Whole
meeting or Special meeting on that day at 3:00 p.m.

General Manager Lamb stated the consultants are available for a Board workshop meeting to discuss the Master Water Plan during the last week in January. The consensus of the Board was to schedule the workshop on Wednesday, January 27, 2016 at 4:00 p.m.

CLOSED SESSION

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2); 54956.95(b) CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION (ONE CASE)

Claimant: Kathryn A. Chmurny

15-12-08 MOTION WAS MADE by Director Hernandez, seconded by Director Evans, and carried unanimously, to move into Closed Session pursuant to Government Code 54956.9(d)(2); 54956.95(b).

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at the hour of 5:42 p.m. The Board, in Closed Session, rejected the claim of Kathryn A. Chmurny and directed staff to take appropriate action.

ADJOURNMENT

There being no further business to discuss, President Sannella adjourned the Regular Meeting of the Board of Directors at the hour of 5:43 p.m.

The Regular Meeting of the Vallecitos Water District Board of Directors has been cancelled and a Special Meeting has been scheduled for Wednesday, December 16, 2015, at 3:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

Michael A. Sannella, President
Board of Directors
Vallecitos Water District

ATTEST:

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