AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, JUNE 5, 2013, AT 4:00 P.M.
AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT HERNANDEZ

PLEDGE OF ALLEGIANCE – GENERAL MANAGER LAMB

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 JUNE 5 2013

PRESENTATION

California Friendly Landscape Contest Winners: Honorable Mention: Louis Lisi; Third Place: Lynwood Dyal; Second Place: Mary and Joe Bochiechio; First Place: “Best in District”: Stephen Rubin.

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 – MAY 1, 2013
B. COMMITTEE MEETING OF THE WHOLE SPECIAL BOARD MEETING – MAY 6, 2013
C. REGULAR BOARD MEETING – MAY 15, 2013

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes
1.2 WARRANT LIST THROUGH JUNE 5, 2013 – $3,690,165.28

Recommendation: Approve Warrant List

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

ACTION ITEMS

2.1 RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT APPROVING ENCINA WASTEWATER AUTHORITY’S FISCAL YEAR 2014 OPERATING AND CAPITAL IMPROVEMENT BUDGET

The Encina Basic Agreement requires approval of the budget for Encina Wastewater Authority by member agencies.

Recommendation: Adopt the Resolution

2.2 RECOMMENDED VALLECITOS WATER DISTRICT BUDGET FOR FISCAL YEAR 2013/2014

The Board Committee has reviewed and, together with staff, recommended that the Vallecitos Water District 2013/2014 Budget be presented for full Board review and approval.

Recommendation: Approve Fiscal Year 2013/2014 Vallecitos Water District Budget

2.3 PROJECT ACCEPTANCE FOR RECOATING OF THE MEADOWLARK RECLAMATION FACILITY PRIMARY EFFLUENT AND ROUGHING FILTER WET WELLS

The existing coating system was failing; recoating was necessary in order to protect the existing concrete from further deterioration.

Recommendation: 1) Accept the project
2) File a Notice of Completion
3) Authorize release of retention funds to the contractor following the 30-day notice period, provided no claims are filed

2.4 APPROVAL OF CONSTRUCTION AGREEMENT FOR THE QUAD – PHASE 3 (QUAD SM, LLC)

The project is located on North City Drive between Redel Road and Campus Way.

Recommendation: Approve Construction Agreement
2.5 AWARD OF CONSTRUCTION CONTRACT FOR RICHLAND TANK NO. 1 REFURBISHMENT

Richland Tank No. 1 is scheduled to be refurbished this fiscal year.

Recommendation: 1) Waive the irregularities in the bid
2) Deny the protest from Paso Robles Tank
3) Award contract to Pacific Titan Inc. in the amount of $275,960, subject to provisions of the 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

3.5 DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

*****END OF REPORTS*****

OTHER BUSINESS

4.1 MEETINGS

WEF Northern California Tour
October 16 – 18, 2013 – Begins/ends in Sacramento, CA

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

5.1 DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

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

CLOSED SESSION

6.1 CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (ONE CASE)
Urban Villages v. Vallecitos Water District
San Diego Superior Court Case No. 37-2012-00102327
*****END OF CLOSED SESSION*****

7.1 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.

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, May 31, 2013.

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

General Manager Lamb led the pledge of allegiance.

Present:    Director Evans
            Director Ferguson
            Director Martin (4:03 pm)
            Director Poltl
            Director Hernandez

Staff Present:   General Manager Lamb
                Assistant General Manager Scaglione
                Legal Counsel Scott
                Director of Engineering & Operations Gerdes
                Administrative Services Manager Emmanuel
                Finance Manager Fusco
                Principal Engineer Gumpel
                Accounting Supervisor Owen
                Water Operations Supervisor Pedrazzi
                Public Information/Conservation Supervisor Urabe
                Public Information Representative Webb
                Public Information Representative Yerman
                Engineering Technician Koonce
                Executive Secretary Posvar

Others Present:  Kevin Hardy, General Manager, Encina Wastewater Authority
                 Mike Steinlicht, Assistant General Manager, Encina Wastewater Authority

ADOPT AGENDA FOR THE REGULAR MEETING OF JUNE 5, 2013

13-06-01  MOTION WAS MADE by Director Poltl, seconded by Director Ferguson, and carried unanimously, with Director Martin absent, to adopt the agenda for the Regular Board Meeting of June 5, 2013.

PRESENTATION

Public Information/Conservation Supervisor Urabe introduced the California Friendly Landscape Contest winners. The winners received a gift certificate to a local nursery and a California Native Plant book.

ORAL COMMUNICATIONS
Mr. Michael McDonald addressed the Board stating he appreciates the patience of all. He stated that hopefully we will come to some kind of a positive agreement. One of the issues that came up is has he moved the finish line further out by requesting further EDU's. He stated the conversation was started about a year ago and have progressed substantially with their plans so that they’re closer to having any number of these projects come to realization, which will in effect require more EDU’s to service those developments. They presented to Mr. Lamb a spreadsheet detailing how they came up with their figures. He doesn’t want them to think they just arbitrarily grabbed a number out of the air. They tried to quantify it by project type and over a timeline. Based upon that, they came up with a figure of 1,140 EDU’s that they feel they can use now and through the end of March 2016 which is the expected goal to adopt the new map plan. In a spirit of cooperation trying to reach a settlement, they proposed to Mr. Lamb yesterday that they would compromise that figure to 1,000 EDU’s. What he would hope is that they could get the support of staff and the Board for that position. He thanked all again for their patience in working with them.

CONSENT CALENDAR

Director Martin requested Item 1.2 be pulled for discussion.

13-06-02 MOTION WAS MADE by Director Ferguson, seconded by Director Poltl, and carried unanimously, with Directors Evans and Martin abstaining on Item 1.1 C, to approve Item 1.1 of the Consent Calendar.

1.1 A. Regular Board Meeting – May 1, 2013
B. Committee Meeting of the Whole Special Board Meeting–May 6, 2013
C. Regular Board Meeting – May 15, 2013

1.2 Warrant List Through June 5, 2013 - $3,690,165.28

Director Martin requested clarification with respect to Nachos Taco Shop to which staff responded.

13-06-03 MOTION WAS MADE by Director Martin, seconded by Director Ferguson, and carried unanimously, to approve Item 1.2 of the Consent Calendar.

ACTION ITEMS

RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT APPROVING ENCINA WASTEWATER AUTHORITY’S FISCAL YEAR 2014 OPERATING AND CAPITAL IMPROVEMENT BUDGET

Kevin Hardy, Encina Wastewater Authority General Manager, presented the recommended FY 2014 Operating and Capital Improvement Budget. The overall operating budget increased by 2.6% for a total recommended budget of $13,624,452.
The capital budget increased by 4.9% for a total recommended budget of $10,483,949. VWD’s recommended portion of the operating budget is $2,586,260 with the capital budget portion being $2,182,953 for a combined total of $4,769,213.

Mr. Hardy asked that the Board consider adoption of the resolution approving Encina Wastewater Authority’s FY 2014 operating and capital budget.

General discussion took place.

13-06-04 MOTION WAS MADE by Director Poltl, seconded by Director Ferguson, and carried unanimously, to adopt the resolution.

Resolution No. 1420 - The roll call vote was as follows:

AYES: Evans, Ferguson, Martin, Poltl, Hernandez
NOES:
ABSTAIN:
ABSENT:

RECOMMENDED VALLECITOS WATER DISTRICT BUDGET FOR FISCAL YEAR 2013/14

Finance Manager Fusco stated the recommended budget for FY 2013/14 was presented in detail at the April 8th and May 6th Board Committee meetings. The recommended budget is $129,920,000. The capital budget is $83.9 million representing 64% of the budget. The operating budget consists of water purchases, water operations and wastewater operations for a combined total of $45.9 million as opposed to $43.1 million in FY 2012/13. Two equipment purchases will be carried over into the FY 2013/14 budget; SDCWA rates came in less than originally estimated; and the CPUC approved a 10% – 20% rate increase for SDG&E resulting in a $114,000 to $150,000 increase in FY 2013/14. Water purchases make up $2 million of the $2.8 million increase; materials and outside services budget has decreased by $400,000; water replacement reserves transfers will increase in the first year and then will decrease in future years as they are used for rate stabilization and to absorb the cost increase from desal water from the SDCWA; budget has no new debt in it and no increase to the wastewater service fee; rates will be proposed based on the results of the Cost of Service Study; the first effective date of rate increases are anticipated in October.

General discussion took place.

13-06-05 MOTION WAS MADE by Director Poltl, seconded by Director Evans, and carried unanimously, to approve the FY 2013/14 budget.
PROJECT ACCEPTANCE FOR RECOATING OF THE MEADOWLARK RECLAMATION FACILITY PRIMARY EFFLUENT AND ROUGHING FILTER WET WELLS

Principal Engineer Gumpel stated that this is the final acceptance for the recoating of the MRF primary effluent and roughing filter wet wells. All work has been completed and the inspection was completed by Harper and Associates. Construction management was conducted by the District.

The project was completed with two change orders. Change Order No. 1 was for extra work requested by District staff, and included performing welding repairs on the pump piping inside the wet wells. Change order No. 2 was a credit change order for the elimination of one bid item that was not necessary after further inspection of the wet wells.

Staff recommended accepting the project, filing a Notice of Completion, and authorizing the release of retention funds to the contractor following the 30-day notice period, provided no claims are filed.

13-05-06 MOTION WAS MADE by Director Poltl, seconded by Director Evans, and carried unanimously, to accept the project, file a Notice of Completion, and authorize release of retention funds to the contractor following the 30-day notice period, provided no claims are filed.

APPROVAL OF CONSTRUCTION AGREEMENT FOR THE QUAD – PHASE 3 (QUAD SM, LLC)

General Manager Lamb stated that this item was on the May 15 Board agenda and was removed at the last minute at the request of the developer. The developer has since resolved the sewer main issue. All inspection fees have been paid, including water and sewer capacity fees which also included impact fees. The developer submitted a letter acknowledging that they are paying the impact fees under protest. No action needs to be taken, just note and file that fees were paid.

Staff recommended approval of the construction agreement.

13-06-07 MOTION WAS MADE by Director Martin, seconded by Director Ferguson, and carried unanimously, to approve the construction agreement.

AWARD OF CONSTRUCTION CONTRACT FOR RICHLAND TANK NO. 1 REFURBISHMENT

Principal Engineer Gumpel stated that during routine inspection it was determined that Richland Tank No. 1 is in need of repair and is scheduled to be refurbished this fiscal year. On May 8, 2013 at 2:00 p.m., District staff received and opened bids from four
contractors. Staff and counsel completed the evaluation of qualifications and determined that Pacific Titan, Inc. was the lowest responsive, responsible bidder. Harper and Associates Engineering Inc. provided design services and will provide inspection. Construction management will be performed by District staff.

The second lowest bidder, Paso Robles Tank, has submitted a protest by email of Pacific Titan's bid. The protest is in reference to one of the bid line items in which the quantity was not multiplied by the unit price and the total line item cost was equal to the unit price. Staff contacted Pacific Titan to determine if the total bid price was correct and Pacific Titan confirmed it was correct.

Counsel and staff reviewed the protest and per the District's Specifications, the District reserves the right to waive any irregularities.

Staff recommended waiving the irregularities in the bids, denying the protest from Paso Robles Tank and awarding the contract to Pacific Titan Inc. in the amount of $275,960 for the Richland Tank No. 1 interior and exterior coating, subject to provisions of the contract.

General discussion followed.

13-06-08 MOTION WAS MADE by Director Ferguson, seconded by Director Poltl, and carried unanimously, to waive the irregularities in the bid, deny the protest from Paso Robles Tank, and award the contract to Pacific Titan Inc. in the amount of $275,960, subject to provisions of the contract.

REPORTS

GENERAL MANAGER

General Manager Lamb reminded all of the construction celebration for the desal plant on the following day. He further stated that the Board Committee meeting scheduled on Monday, June 10 will be a long meeting and to plan accordingly.

DISTRICT COUNSEL

Legal Counsel Scott reported on the court's validation of the 2003 Colorado River Quantification Settlement Agreement and rejected all the remaining legal challenges to the accord between the San Diego County Water Authority (SDCWA) and Imperial Irrigation District. The ruling is a key component to securing the water rights for San Diego, including approximately 180,000 acre feet this year. This concludes ten years of protracted litigation and confirms the SDCWA’s long-held belief that the agreements were firmly founded in the law.
SAN DIEGO COUNTY WATER AUTHORITY

Director Evans stated the Board received a copy of the May 23 Summary of Formal Board of Directors’ Meeting. She further stated that they will be reviewing the budget in special committee this week.

ENCINA WASTEWATER AUTHORITY

None.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

None.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

None.

CLOSED SESSION

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a)
CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (ONE CASE)
   Urban Villages v. Vallecitos Water District
   San Diego Superior Court Case No. 37-2012-00102327

13-06-09 MOTION WAS MADE by Director Martin, seconded by Director Ferguson, and carried unanimously, to move into Closed Session pursuant to Government Code Section 54956.9(a).

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at the hour of 6:15 p.m. The Board, in Closed Session, directed staff to take appropriate action.

ADJOURNMENT

There being no further business to discuss, President Hernandez adjourned the Regular Meeting of the Board of Directors at the hour of 6:16 p.m.
A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, June 19, 2013, at 4:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

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James Hernandez, President
Board of Directors
Vallecitos Water District

ATTEST:

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