

MINUTES OF THE
ENGINEERING/EQUIPMENT COMMITTEE MEETING
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, JANUARY 14, 2009 @ 12:00 P.M. AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

Director Ferguson called the meeting to order at the hour of 12:05 p.m.

Present: Director Ferguson
 Director Poltl
 General Manager Rucker
 Engineering Manager Gerdes
 Capital Facilities/Construction Engineer Gumpel
 Engineering Supervisor Brandstrom
 Executive Secretary Lewis
 Administrative Secretary Posvar

REQUEST TO APPROVE REIMBURSEMENT AGREEMENT FOR HOKTO KINOKO
WATER/SEWER MAIN EXTENSION (W.O. 206-709)

Engineering Manager Gerdes stated that Hokto Kinoko Company, formerly Golden Gourmet Mushrooms, Inc., has completed the construction of water and sewer improvements to serve their property. The water/sewer improvement project (final Board acceptance on May 21, 2008) constructed approximately 2,500 feet of 8-inch sewer main and approximately 2,400 feet of 12-inch water main to serve an existing gourmet mushroom business. The property was detached from the Vista Irrigation District (VID) and annexed to VWD for water and sewer service.

Engineering Manager Gerdes stated that in most cases, final Board acceptance of the project and the public hearing to approve the reimbursement agreement are conducted at the same time. In this particular case, Golden Gourmet Mushrooms, Inc. was sold to Hokto Kinoko Company and during the transition period, the District notified the new owners, however, the notification letter was misplaced and they were not able to respond in a timely manner.

Engineering Manager Gerdes stated that the Finance Department has reviewed all the costs submitted by the developer related to the construction of the water and sewer facilities and has determined that the total reimbursable amount is \$468,486.00 for water and \$392,545.00 for sewer respectively.

There are two different methods used in determining the reimbursement spread: the equal distribution method and the frontage and acreage method. Each method has been evaluated to determine which method is the most equitable for this request.

The equal distribution method takes into consideration a couple of different factors. First, can the property be split per City or County criteria? Secondly, are the properties of like size with existing homes with no potential for future splits? The total construction cost is divided by the total number of existing lots and/or potential new lots including vacant property and property with existing homes.

The frontage and acreage method takes into consideration the frontage and acreage of each property and a percentage of the cost is computed based on a formula similar to spreads utilized for Assessment Districts.

Due to the potential of future subdivisions (splittable parcels) of the affected properties, it appears that the frontage and acreage method is the most equitable method to use.

Staff requested Committee review and recommendation to the Board for approval of the reimbursement method and spread, and recommend that the District move forward with the public hearing and Board consideration of approval of the reimbursement agreement.

The Engineering/Equipment Committee recommended that the District move forward with the public hearing and that request for reimbursement agreement for Hokto Kinoko water/sewer main extension, using the frontage and acreage method, be submitted to the Board for consideration and approval.

REQUEST FOR JOINT USE AGREEMENT BETWEEN VALLECITOS WATER DISTRICT AND CITY OF CARLSBAD

Engineering Manager Gerdes stated that the City of Carlsbad (City) is requesting a Joint Use Agreement (JUA) with the Vallecitos Water District (District) for the use of a portion of an existing 20-foot wide District easement for a proposed City trail. This will be constructed in conjunction with an adjacent development (La Costa Ridge Neighborhood 2.6, D.R. Horton).

The City currently has existing trail easements in the area. In order to develop the new project, a portion of the existing trail must be relocated out of the development and into a new location including a portion of the District's easement.

Engineering Manager Gerdes stated that this (JUA) agreement is a standard agreement that has been previously utilized for trail easements between the District, the City of San Marcos, and SDG&E. This agreement has been modified slightly to include site specific information. The document, with updates, has been reviewed and approved by Counsel for both the City and the District.

The City of Carlsbad has met all the conditions of approval for a Joint Use Agreement. Staff recommended approval of the request for a Joint Use Agreement.

The Engineering/Equipment Committee recommended that request for Joint Use Agreement between VWD and the City of Carlsbad be submitted to the Board for consideration and approval.

REQUEST FOR EXCHANGE AGREEMENT BETWEEN VALLECITOS WATER DISTRICT AND VID FOR APN: 178-080-55 / 3681 CAMINO DE LAS LOMAS

Engineering Manager Gerdes stated that on October 21, 1976, an exchange agreement was requested by Mr. Crump for property located at 3681 Camino de Las Lomas in Vista. The request was denied, however, approval for a Temporary Service Agreement

was approved but never completed. Vallecitos Water District (VWD) had facilities located in the area that provided service to 12 properties within the Vista Irrigation service area (VID).

According to VID records, on February 23, 1978, Mr. Crump applied for a 1-inch construction meter from VID to use during the construction of his home. It appears that the meter was installed on an existing service that was downstream of the master meter and was supposed to be on a temporary basis only. This location would have been the basis of the original exchange agreement request that was denied. Mr. Crump completed his house in 1979, and based upon the records available from VID, the meter was never removed and to this day is considered a construction meter. The temporary off-site meter was never pursued by Mr. Crump.

Engineering Manager Gerdes stated that on September 28, 1988, the issue came up again and VID staff was directed by their Board of Directors to send a letter to Mr. Crump and request that he contact VWD for water service. The letter gave him 30 days notification to obtain permanent service from VWD and pay all required fees. VWD staff concurred with VID that this was the appropriate solution. However, once again an agreement was never signed by Mr. Crump or finalized by either agency. In 2003, Mr. Crump sold the property to a new owner, Mr. Gustafsson.

Recently VID contacted VWD to discuss their concerns about service to this property. With the possibility of a pending drought and stricter regulations regarding water service, this meter has the potential of being pulled as it is considered a construction meter.

To provide regular service from a VWD main, a new service would be required, upstream of the master meter that serves VID, and require substantial realignment/installation of a new private water service reconnecting the house. Additionally, it would appear that the new meter location would likely require the current owner to obtain several offsite easements.

Engineering Manager Gerdes stated that it appears the better solution is to enter into an exchange agreement between VID and VWD for the property establishing regular service and install a regular meter to the property instead of the construction meter.

Both agencies reviewed all Ordinances related to capacity/connection fees that were in effect at the time Mr. Crump first requested water service. VID did not have water capacity/connection fees at that time and the capacity fee for VWD at that time was \$100.00. However, at that time policy was that the agency providing the service collected the applicable capacity/connection fees. Staff at both agencies concurred that had this been taken care of at the time, no connection fees would have been required at the time the original construction meter was established. This policy changed in the early 90's to the parent agency collecting capacity fees as regular service would likely be provided at some point in the future.

Since this has been an ongoing issue for over 30 years, both staffs agree that a permanent meter should be installed at this time without payment of any capacity/connection fees and a Temporary Exchange Agreement should be executed between the two agencies.

Staff recommended approval of a Temporary Exchange Agreement with VID and waiving capacity/connection fees for the property.

The Engineering/Equipment Committee recommended that request for Temporary Exchange Agreement with VID and waiving capacity/connection fees for the property, be submitted to the Board for consideration and approval.

AWARD OF CONSTRUCTION CONTRACT FOR MRF 24" RECLAIMED WATER LINE

Engineering Manager Gerdes stated that this project is the last component of the Meadowlark Reclamation Facility (MRF) expansion project. It consists of approximately 700 feet of 24" CML&C pipe to replace the existing 12" AC pipe from the discharge of MRF recycled water pump station to the existing 24" main west of Rancho Santa Fe Road. The new pipe will alleviate a hydraulic constraint in the recycled water transmission created by the MRF expansion from 2.25 MGD to 5 MGD.

On January 7, 2009, at 2:00 p.m., District staff received and opened bids from three contractors for the above referenced project. The bid results were as follows:

<u>Bidder</u>	<u>Amount</u>
Cass Construction	\$435,072.25
Don Hubbard Contracting	\$443,996.00
TC Construction	\$407,160.15
Engineer's Estimate	\$516,000

Staff and counsel completed the evaluation qualifications and determined that TC Construction was the lowest responsive, responsible bidder.

District staff will provide inspection and construction management services.

Engineering Manager Gerdes stated that the 2007/2008 Capital budget included \$400,000.00 for the project and was a budget number only, as the design had not been started.

The total estimated cost and budget summary are as follows:

Budget	\$400,000
Construction	\$407,000
10% Construction Contingency	\$ 40,700
Design	\$ 55,000
Staff and Outside Services	\$ 50,000
Overhead	<u>\$ 55,000</u>
Total	\$607,700
Budget Shortfall	\$207,700

Staff requested that the Engineering/Equipment Committee recommend to the Board the contract award to TC Construction in the amount of \$407,160.15, subject to the provisions of the Contract, including bonding and insurance requirements, and recommend to the Finance Committee a budget increase of \$207,000.

The Engineering/Equipment Committee recommended that award of construction contract to TC Construction in the amount of \$407, 160.15, subject to the provisions of the Contract, including bonding and insurance requirements, be submitted to the Board for consideration and approval. The Committee further recommended that the Finance Committee approve a budget increase of \$207,000.

OTHER BUSINESS

None.

There being no further business to discuss, the meeting was adjourned at the hour of 12:32 p.m.