

MINUTES OF THE  
**ENGINEERING/EQUIPMENT COMMITTEE MEETING**  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, MARCH 11, 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 12:00 p.m.

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

Others Present:     Jim Bartell, Bartell & Associates  
                          Cheryl Kilmer, T.E.R.I., Inc.

REQUEST FOR ANNEXATION OF A CERTAIN PROPERTY DESIGNATED AS THE  
"TERI, INC. ANNEXATION" APN: 182-260-10 INTO THE SEWER IMPROVEMENT  
DISTRICT

Director Ferguson stated that the Engineering/Equipment Committee scope is limited to addressing the annexation portion of this item for compliance with the LAFCO adopted Sphere of Influence and the District's adopted master plan; the Finance/Investment Committee was responsible for addressing the fee portion associated with the project.

Mr. Bartell stated that he supported the annexation, however, he was present to discuss a waiver of the annexation fees due to the fact T.E.R.I. Inc. is a nonprofit organization. General Manager Rucker indicated that this item had been presented to the Finance/Investment Committee at their February 27, 2009, meeting for discussion. Any further requests/discussion for a fee waiver would need to be directed to the Board of Directors at their next scheduled meeting on March 18, 2009.

General Manager Rucker stated that the request is for annexation into the Vallecitos Water and Sewer District (VWD) for water and sewer service. The property is approximately 19.83 acres, located at 555 Deer Springs Road, east of Twin Oaks Valley Road, south of Deer Springs Road, and west of the SR15 freeway.

The property is within Vista Irrigation District (VID) and would require detachment from VID and annexation into VWD. The property is within the 1028 pressure zone and existing VWD water and sewer facilities are located adjacent to the property in Twin Oaks Valley Road and Deer Springs Road. Sewer facilities are also located on the south side of the property within a VWD easement.

The property is also within the "Boot" area of the District. The "Boot" area will ultimately be served by VWD for water and sewer service. Although the Boot properties are outside of the District boundaries, it is in an area identified, approved and directed by LAFCO to be served by VWD. Both VID and VWD staff concurred that annexation to VWD is consistent with the overall objective of the District and LAFCO to ultimately serve the "Boot" area. The request for annexation requires LAFCO approval. The owner is aware that water service from VID would be terminated and new water service from VWD will be required including payment of water capital facility fees.

Staff recommended approval of the request for annexation with the following conditions to the Finance Committee on February 27, 2009 which is the Finance Committee recommendation.:

1. Payment of sewer annexation fee of \$6,809.00 per acre (19.83) = \$135,022.47
2. Payment of water annexation fee of \$5,010.00 per acre (19.83) = \$99,348.30.
3. Payment of State Board of Equalization fee of \$800.00.
4. Payment of San Diego LAFCO Processing Fee (call LAFCO @ 619-531-5400).
5. Payment of Detachment Fee from VID (call VID at 760-597-3100).
6. Submit a copy of title report with metes and bounds legal description of the property to be annexed including track maps and traverse calculations, if applicable.
7. No construction or connection to District water and sewer facilities will be allowed until completion of annexation, payment of all annexation fees, water and wastewater capital facility fees, completion of water and sewer facilities required for the project, and payment of all current fees and charges.
8. Completion of annexation within one year of initial Board approval.
9. It is the owner's responsibility to make arrangements with VID regarding termination of VID service upon completion of the reorganization.

**The Engineering/Equipment Committee agreed that the property lies within the adopted LAFCO Sphere of Influence and the adopted District Master Plan for water and sewer service and recommended that the request for annexation be submitted to the Board for consideration and approval.**

#### DRAFT REIMBURSEMENT (PAYBACK) ORDINANCE

Deputy General Manager Lamb stated that staff was directed to review the current Reimbursement Agreement (Ordinance No. 115) during the September 25, 2007 Board workshop. The current general discussions have narrowed around the duration of the payback and the facilities eligible for a payback.

Deputy General Manager Lamb stated that the Ordinance has changed substantially due to the number of edits and changes and is not simply compared to the current existing Ordinance 115. A copy of Ordinance No. 115 and the proposed Ordinance were presented for review and information. Section 3 has been modified regarding eligible facilities and includes suggested verbiage. Discussion followed on Sections 3.2 (Determination of Reimbursement Eligibility) and 3.3 (Facility Eligibility). Section 5.1 (Term of Agreement) maintained with the current 10 year period maximum for purposes of continued discussion. Provisions were added to Section 6 (Administrative Costs and

Deposits) to cover the cost of annexation. Following discussion, staff was requested to reevaluate the possibility of recording the payback agreement on the property and the possibility of placing a lien on the property.

Also presented for review was the revised Reimbursement Agreement. This document was revised to reflect the proposed changes to Ordinance No. 115.

**This item was for information only. No action was necessary, however, the Committee recommended that staff work with Counsel and the County of San Diego regarding recordation of such documents and revisit the possibility of an open end agreement that is not limited in its duration until all benefited property owners pay their proportionate shares via the district to the responsible party. If sufficient time exists, the modifications and responses should be presented to the full Board at its March 30 Workshop .**

#### DRAFT CAPITAL MITIGATION FEE ORDINANCE

Deputy General Manager Lamb stated that staff has developed a draft Ordinance with the general framework for what is proposed. The proposed Ordinance revolves around three specific areas that are impacted by development when it places a greater burden on water and sewer service than those considered in the District Master Plan (i.e. densification). The specific areas of impact are water transportation and storage facilities, sewer collection and land outfall facilities for transportation/conveyance, and wastewater treatment and disposal (MRF and EWA). Individual studies would need to be completed for each of these components.

In addition, the Ordinance confirms the need for a methodology of impact studies that the District currently performs for all development. This format is consistent with the current studies the District performs for Water Service Assessments required by SB610 and SB221. The purpose of including the study requirements in the draft Ordinance is to ensure a consistent approach in reviewing new projects that have densification to the adopted land use elements utilized in the adopted Master Plan within and outside the District.

This Ordinance is considered separate from the current revision to the District Water, Sewer and Reclamation Master Plan update which is based upon approved land uses. The Mitigation Fee Ordinance is being developed due to potentially recognized project densification after adoption of the Master Plan.

Deputy General Manager Lamb stated that Legal Counsel has reviewed the draft and acknowledged that the premise is sound; however, additional studies may need to be completed to justify the nexus between the proposed fees and the required facilities. The current budget does not include funds for these studies, however, adequate documents and past reports and studies are available to continue development of the Ordinance and may be adequate. In the event additional studies are required, they will be considered for funding in the 2009/2010 capital budget.

The Engineering/Equipment Committee determined that the overall approach is sound and no specific action was requested. Staff stated that this item will be presented at the Board Workshop scheduled on March 30, 2009.

**The item was for information only. No action was necessary.**

#### AWARD OF DESIGN CONTRACT FOR SAN MARCOS INTERCEPTOR

Construction/Capital Facilities Engineer Gumpel stated that the project consists of replacing the existing 21" sewer interceptor with approximately 5,000 LF of 36" diameter sewer pipe between Twin Oaks Valley Road and Lift Station #1. The project was identified in the 1991 Master Plan and initially approved in the District's 1999/2000 Budget. It has been carried forward in subsequent budgets. A portion of the project was completed in 2002 between Highway 78 and Grand Avenue, in advance of the City's Creekside Development Project at the southeast corner of San Marcos Boulevard and Grand Avenue.

Construction/Capital Facilities Engineer Gumpel stated that the design of the San Marcos Interceptor Sewer replacement was initiated in 1999. Due to permitting uncertainty related to the location of the existing and proposed sewer, the project was placed on hold with the design about 50 percent complete. Coordinating with the City of San Marcos for approximately two decades, concern for the level of environmental impact associated with the project has been the largest single factor in initiating the hold. More recently, continued coordination with the City of San Marcos and their plans for evolving improvements along the creek has delayed the project.

In 2005/06, a pipe bursting pilot project was conducted to determine the feasibility of the no-dig method for replacement of the interceptor. This method was encouraged by the environmental agencies due to potential wetland impacts on the project. Pipe bursting was judged to greatly reduce impacts to environmentally sensitive areas along the pipeline route. The pipe bursting demonstration project was successful in the ability to install a new, larger pipeline utilizing subterranean pipe bursting techniques without impacts to the surface environment. Unfortunately the construction method failed to maintain the stringent slope tolerance required by the project, making this method of construction infeasible for widespread use along the alignment.

Construction/Capital Facilities Engineer Gumpel stated that the project has been split into 3 phases for design, construction and budgeting. Phase I is from the end of the pipe burst portion east of Johnston Lane to Bent Avenue and includes tunnel sections under structures and Highway 78; Phase II is from Bent Avenue to McMahr Road and is primarily open cut trenching, however, the majority of the work will be within the wetland habitat area of San Marcos Creek; Phase III is from McMahr Road to Lift Station No. 1 with portions being constructed during private development and potentially included in the City of San Marcos Creek Improvement Project.

Kennedy/Jenks Consultants has submitted an engineering services proposal and scope for final design and construction phase services of the San Marcos Interceptor Replacement Project for Phase I and II from east of Johnston Lane to McMahr Road. The scope also includes a large environmental component in order to amend the

existing Mitigated Negative Declaration (MND), obtain permitting for the trenchless section of work in Phase I and obtain the environmental permits for Phase II. The MND was adopted by the Board on March 7, 2001.

Staff reviewed the proposal and concurs with the scope and fee in the amount of \$663,533. The project is identified in the FY 08/09 Budget. The expenditures are expected to be spread over FY 08/09, FY 09/10 and FY 10/11 with approximately \$200,000 in FY 08/09, \$330,000 in FY 09/10 and the remaining in FY 10/11 to match the District's current adjusted budget for the project.

Due to environmental requirements for spring field surveys a portion of the scope and fee was taken to the Board at the meeting of February 18, 2009, and approved in the amount of \$15,972.

Staff requests the Engineering/Equipment Committee recommend to the Board the final design contract award to Kennedy/Jenks Consultants in the amount of \$663,533, subject to the provisions of the Contract.

**The Engineering/Equipment Committee referred this item to the Finance/Investment Committee for review and recommendation that the final design contract award to Kennedy/Jenks Consultants in the amount of \$663,533, subject to the provisions of the contract, be submitted to the Board for consideration and approval.**

#### OTHER BUSINESS

General Manager Rucker reported that he received a letter from Lori Vereker, City of Escondido Utilities Manager, requesting him to sign a letter committing water and sewer capacity for commercial properties that lie within the Vallecitos Water District service boundaries. The properties are located on both sides of Nordahl Road along the north side of Mission Road. This area is a small portion of a larger area the City of Escondido is trying to rezone as "EZ " to support new, green businesses with Federal financial support. He further stated that he is working on this request with Legal Counsel to determine if some type of arrangement can be done.

**This item was for information only.**

There being no further business to discuss, the meeting was adjourned at the hour of 1:30 p.m.