

**AGENDA FOR A MEETING OF THE  
ENGINEERING/EQUIPMENT COMMITTEE  
for VALLECITOS WATER DISTRICT  
MONDAY, JULY 7, 2008 @ 12:00 P.M.  
AT THE DISTRICT OFFICE  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA  
760.744.0460**

CALL TO ORDER - DIRECTOR POLTL

ITEM(S) FOR DISCUSSION

1. QUARTERLY CIP UPDATE
2. MEADOWLARK RECLAMATION FACILITY CONSTRUCTION MANAGEMENT AMENDMENTS
3. REQUEST FOR OFFSITE WATER AND SEWER SERVICE APN: 187-720-25 (TISCARENO)
4. REQUEST FOR ANNEXATION INTO WATER AND SEWER DISTRICT APN: 228-120-41 (NORDAHL MEDICAL CENTRE, INC.)
5. CANCELLATION OF LINDA VISTA EXCHANGE AGREEMENT BETWEEN VID, VWD AND PROPERTY OWNER
6. REQUEST FOR JOINT USE AGREEMENT BETWEEN VWD AND SDG&E FOR PRIVATE RESIDENCE (PIZZUTO)
7. REQUEST FOR JOINT USE AGREEMENT BETWEEN VWD AND SDG&E FOR PRIVATE RESIDENCE (SAN ELIJO HILLS DEVPT.)
8. REVIEW OF GOALS AND OBJECTIVES FOR FISCAL YEAR 2008/09 STRATEGIC PLAN

OTHER BUSINESS

ORAL COMMUNICATIONS

Persons wishing to address a matter on the Agenda may be heard at this time. No action can take place at a Committee meeting of the Board of Directors until the matter is placed on a future Regular Board meeting agenda in accordance with Board policy.

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. 261 at least 48 hours prior to the meeting.
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AFFIDAVIT OF POSTING

I, Carol Lewis, 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 5:00 p.m., Thursday, July 3, 2008.

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Carol Lewis

MINUTES OF THE  
**ENGINEERING/EQUIPMENT COMMITTEE MEETING**  
OF THE VALLECITOS WATER DISTRICT  
MONDAY, JULY 7, 2008 @ 12:00 P.M. AT THE DISTRICT OFFICE  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

Director Poltl called the meeting to order at the hour of 12:00 p.m.

Present:     Director Poltl  
              Director Shell  
              Assistant General Manager Mason  
              Director of Engineering and Operations Lamb  
              Engineering Manager Gerdes  
              Capital Facilities/Construction Engineer Gumpel  
              Engineering Supervisor Brandstrom  
              Executive Secretary Lewis

Others Present:     Matt Tebbetts, Principal Engineer, Kennedy/Jenks Consultants

QUARTERLY CIP UPDATE

Capital Facilities/Construction Engineer Gumpel provided an overview of all Capital projects in construction and design. He provided detailed quarterly updates on the Meadowlark Treatment Plant Expansion and the Twin Oaks Reservoir #2 projects. Capital Facilities/Construction Engineer Gumpel reported that \$186,600 of soil was purchased by CH2MHill for the new North Twin Oaks Water Treatment Plant. The original estimate used for the Twin Oaks Reservoir #2 project budget was \$480,000. He stated that the Twin Oaks Reservoir #2 project is expected to be over budget by \$350,000. He also stated that the remaining soil on site is approximately 66,000 cubic yards which have a value of approximately \$400,000. Future sale of this soil can be used to reimburse the capital budget.

MEADOWLARK RECLAMATION FACILITY CONSTRUCTION MANAGEMENT AMENDMENTS

Capital Facilities/Construction Engineer Gumpel reported that the Meadowlark Reclamation Plant Expansion Project will increase capacity from 2.25 million gallon/day (MGD) to 5.0 MGD with a peaking capacity of 8.0 MGD. The treatment process will also be changed to a return activated sludge process which will allow the plant to operate more efficiently and cost effectively by reducing chemical demand to produce State Title 22 tertiary treated water (reclaimed water). The project is identified in the 2002 Master Plan and included in the FY 07/08 budget.

Capital Facilities/Construction Engineer Gumpel stated that on July 6, 2005, the Board awarded a Construction Management (CM) agreement with Kennedy/Jenks Consultants (K/J) in the amount of \$1,500,000 to perform general CM, inspection, and construction phase services for the Meadowlark Reclamation Facility Expansion Project (MRF). A CM contract amendment (Amendment 1) was approved by the Board on February 7, 2007, for an additional \$777,000 which included approved time extensions due to unforeseen site conditions, including additional rock excavation, and associated

engineering support. Amendment 1 extended the contract from \$1,500,000 to \$2,277,000 and was based on onsite construction management costs ending by the contract completion date of May 31, 2007. Construction of the MRF project was awarded by the Board to SSC Construction on June 29, 2005 in the amount of \$23,284,700. Recent change orders and time extensions to the contractor were approved by the Board on June 4, 2008.

Capital Facilities/Construction Engineer Gumpel stated that K/J has requested two additional amendments to their original contract, Amendment 2 for \$460,427 and Amendment 3 for \$485,760. The total request for both Amendments is \$946,187. Staff reviewed the amendments and met with K/J to discuss requested fees that may have been related potentially to possible engineering errors and/or omissions as well as other items that should be excluded in their proposed amendments. Staff worked with K/J staff and reviewed change orders and associated engineering support caused by change orders. Consideration was given to possible errors and omissions by K/J beyond reasonable expectations for a project of this size and complexity. After review, staff and K/J have agreed to a credit of \$230,000 towards Amendment No. 2. A majority of the items occurred during or before the Amendment 2 time frame. The total excluded from Amendment 2 is \$230,000.

The adjusted Amendment 2, for \$230,000, incorporates the contract time extended on the project, to December 26, 2007, which was due to site conditions and change order work described in the June 4, 2008 contractor change order staff memo to the Board. Engineering and inspection support associated with the change order work as well as the additional time beyond Amendment 1 has been taken into account. Amendment 2 is based on extended contract duration from the original date of May 31, 2007 to December 26, 2007.

Amendment 3, for \$485,760 incorporates the time extended on the project past December 26, 2007. Engineering and inspection support associated with the additional time beyond Amendment 2 has been taken into account. The contractor has been put on notice that all time starting from December 26, 2007 to the approved Substantial Completion date is subject to liquidated damages. Staff and the contractor are still in negotiations regarding time extensions and the substantial completion date. Estimated liquidated damages range from \$300,000 to \$400,000. Staff anticipates that liquidated damages will be collected to reimburse the project budget.

Amendments 2 and 3 total \$716,187 after adjustments, which bring the total CM Contract amount to \$2,993,187.

Director of Engineering and Operations Lamb stated that staff has reviewed the amendments and associated costs and concurs with the total of \$716,187 for the Amendments. Additionally, Lamb indicated that K/J has been very forthright in discussing the credit provided to the District and they approached it very professionally and honestly. The contract required substantially more work from both District staff and K/J due to the number of submittals, resubmittals and request for information from the project contractor. Staff continues to work with K/J in resolving outstanding issues that the contractor continues to raise and funding has been included in this amendment through July 2008.

This project is included in the FY 07/08 budget and funds for the project have been included in the Certificate of Participation. Additional budget of \$124,572 will be required if these amendments are approved. Capital funds are available to fund this increase.

Staff requested the Engineering/Equipment Committee recommend Finance/Investment Committee approval of an addition to the budget in the amount of \$124,572. Staff requests that the Engineering/Equipment Committee, upon approval by the Finance/Investment Committee, recommend Board consideration and approval of Amendments 2 and 3 in the amount of \$716,187.

**The Engineering/Equipment Committee recommended that the Finance/Investment Committee approve an addition to the budget in the amount of \$124,572 and further recommend, upon approval by the Finance/Investment Committee, this item be submitted to the Board for consideration and approval of Amendments 2 and 3 in the amount of \$716,187.**

**REQUEST FOR OFFSITE WATER AND SEWER SERVICE APN: 187-720-25 (TISCARENO)**

Director of Engineering and Operations Lamb reported that Tim Tiscareno, owner of the property, is requesting a Permanent Offsite water and sewer service for his property. The property is located on the west side of Woodland Parkway (Bougher Road) adjacent to Richland Tank No. 1. The property has existing water and sewer services located in Woodland Parkway and Capital Facility Fees were paid at the time the services were installed.

Director of Engineering and Operations Lamb stated that prior to the construction of the Palos Vista Subdivision (Emerald Heights), along with the construction of Woodland Parkway, a 10-inch water main was located adjacent to the property in a District Easement. At the time of the road construction, by the developers of Palos Vista, the water main was moved into the public road and the road was realigned to what exists today, creating a gap between the property and the right of way for Woodland Heights Parkway. The sewer collection facilities were installed with the Road construction. This created a land locked parcel that no longer had frontage on District facilities nor access to Woodland Parkway.

Director of Engineering and Operations Lamb stated that Mr. Tiscareno purchased the property from the original owner a few years ago and has been working with the Emerald Heights Homeowners Association (HOA) to obtain legal access rights to his property. He now has a recorded easement (provided to the District) that was granted to him by the HOA allowing ingress/egress and the installation of private utilities to serve his property. Once he obtained legal access, he approached District staff to obtain water and sewer service for the property.

Director of Engineering and Operations Lamb stated that staff has researched this issue and it appears that the District intended on serving the property and allowed the previous owner to pay the Capital Facility Fees and install water and sewer services during the construction of the road. The fees were paid on August 21, 1990, and

installed shortly afterward. This all occurred prior to the establishment of Ordinance No. 118 (adopted December 4, 1996) which provides permanent offsite service to those properties that do not abut, traverse, or are adjacent to existing facilities.

Director of Engineering and Operations Lamb stated that based on all of the information, it appears that this property meets the criteria for a permanent offsite service, however as indicated in Mr. Tiscareno's request, he is asking that the District waive the permanent offsite fees. Per Ordinance No. 118, the owner is required to pay a charge equal to twenty five percent (25%) of the cost estimated by the District to design and construct a permanent facility to serve the property, but in no event less than Two Thousand Five Hundred Dollars (\$2,500) per service.

Director of Engineering and Operations Lamb stated that due to the circumstances surrounding this property, it appears that service may have been available adjacent to the property at one time. In addition, the surrounding area is open space owned by the HOA and any future extensions of pipelines will not be required.

Director of Engineering and Operations Lamb stated that the purpose of presenting this to the Engineering/Equipment Committee is to present a clear record for future property owners or inquiries into service to this property. Staff concurs with the owners request to waive the permanent offsite fees. With the waiving of the permanent offsite fee, the District would not collect \$5,000.00 for future extensions (\$2500.00 water and \$2500.00 sewer)

Staff recommended approval of permanent offsite water and sewer services and waiving the permanent offsite fees.

**The Engineering/Equipment Committee recommended that the request for permanent offsite water and sewer services for APN: 187-720-25 and waiving the permanent offsite fees be submitted to the Board for consideration and approval.**

**REQUEST FOR ANNEXATION INTO WATER AND SEWER DISTRICT APN: 228-120-41 (NORDAHL MEDICAL CENTRE, INC.)**

Director of Engineering and Operations Lamb stated that Mr. Jeffrey A. Brusseau of Nordahl Medical Centre, Inc., is requesting annexation into the VWD and Sewer Improvement Districts 1, 2 & 6 for water and sewer service. The property is located on the east side of Nordahl Road, north of Montiel Road and the 78 freeway. The property is currently within the service boundaries of Vista Irrigation District (VID) and has an existing water service from VID.

Director of Engineering and Operations Lamb stated that water and sewer facilities are currently available in Nordahl Road adjacent to the property. The property is within the Vallecitos Water District Sphere of Influence. Detachment from VID and approval from the Local Agency Formation Commission (LAFCO) will also be required.

Staff recommended approval of the request for annexation with the following conditions:

1. Payment of sewer annexation fee of \$6,809.00/acre (5.11 acres) = \$34,794.00.
2. Payment of water annexation fee of \$5,010.00/acre (5.11 acres) = \$25,601.00.

3. Payment of State Board of Equalization fee of \$350.00.
4. Submit a copy of title report with metes and bounds legal description of the property.
5. No construction of or connection to District water and sewer facilities will be allowed until completion of annexation, detachment from VID and approval from LAFCO, payment of water and wastewater capital facility fees, completion of water and sewer facilities required for the project, and payment of all current fees and charges. Contact VID (760) 597-3100 and LAFCO (619) 531-5400 for their fees. Owner is responsible for the abandonment of the existing VID water meter upon completion of the reorganization.
6. Completion of the reorganization within one year from initial Board approval.

**The Engineering/Equipment Committee recommended that the annexation of certain property designated as the "Nordahl Medical Centre, Inc. Annexation APN: 228-120-41 into the VWD and Sewer Improvement Districts 1, 2, & 6 for water and sewer service be submitted to the Board for consideration and approval.**

**CANCELLATION OF LINDA VISTA EXCHANGE AGREEMENT BETWEEN VID, VWD AND PROPERTY OWNER**

Director of Engineering and Operations Lamb reported that on July 2, 1973, an exchange agreement between VID, VWD, and Mr. Robert Thornton was approved by Board Action. This agreement was approved to allow service to three parcels along Linda Vista Drive between Hillhaven Drive and Poinsettia Avenue. The original assessor parcel numbers were 221-020-23, 49 and 50. At that time VWD had no facilities located in this area, however, VID had existing facilities in Linda Vista Drive. As a condition of service, the owner was required to install a "Master Meter" large enough to serve his property along with a new 8-inch and 6-inch water main with sufficient length to serve each lot.

Director of Engineering and Operations Lamb stated that the three original parcels were later subdivided by Mr. Thornton into fifteen parcels. More recently, a new four-lot subdivision was completed on Linda Vista Court southeast of the fifteen parcels. During the construction of the subdivision, the owner was required to extend facilities from Avenida de la Rosas, just south of the property to the existing 8-inch water main (Upgraded from 6-inch main previously installed).

Director of Engineering and Operations Lamb stated that until recently, the original fifteen parcels along with the four newly created parcels have continued to be served through the existing "Master Meter". The changeover from VID to VWD's system entailed the turning of one valve on (VWD) and one valve off (VID). This was delayed until all of the customers could be notified and given ample time to make sure their pressure regulators were functioning properly. Service from VWD is about 20 to 30 psi higher than VID service. The valves were turned the first week of May and since that time, no customer calls or complaints have been received.

Director of Engineering and Operations Lamb stated that with the new line installed, the VID exchange agreement is no longer required. The existing water meter off the VID

main in Linda Vista Drive has been removed and VID plans to abandon a vault that housed the "Master Meter".

Service is no longer required by VID. Staff from both agencies has concurred that the Exchange Agreement should be cancelled at this time.

Staff recommended cancellation of the Exchange Agreement with VID.

**The Engineering/Equipment Committee recommended that the cancellation of the Linda Vista Exchange Agreement between VID, VWD and the property owner be submitted to the Board for consideration and approval.**

**REQUEST FOR JOINT USE AGREEMENT BETWEEN VWD AND SDG&E FOR PRIVATE RESIDENCE (PIZZUTO)**

Ms. Sylvia Pizzuto is requesting a Joint Use Agreement (JUA) with VWD for the use of a portion of the existing 20-foot wide District easement to install SDG&E dry utilities to serve one parcel. The parcel APN: 178-100-07-00 is a 40 acre parcel located north of Deer Springs Road.

Director of Engineering and Operations Lamb stated that Ms. Pizzuto is currently planning to build a new home on the property. The District currently maintains a 20-foot wide easement on the property with an existing 8-inch water main. In order to get electrical power to the home SDG&E has requested that the District share a portion of the easement.

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

Ms. Pizzuto 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 the request for Joint Use Agreement between VWD and SDG&E for a private residence be submitted to the Board for consideration and approval.**

**REQUEST FOR JOINT USE AGREEMENT BETWEEN VWD AND SDG&E FOR PRIVATE RESIDENCE (SAN ELIJO HILLS DEVPT.)**

Director of Engineering and Operations Lamb reported that Mr. Jeff O'Connor is requesting a Joint Use Agreement (JUA) with VWD for the use of a portion of the existing 30-foot wide District easement to install SDG&E dry utilities to serve one lot. The lot (Lot 15) is located in Phase 3, Planning Area "T", Unit 9 at the western end of Pearl Drive, a cul-de-sac.

Director of Engineering and Operations Lamb stated that San Elijo Hills is currently

developing Phase 3, Planning Area "T", Unit 9 of Tract 400. Lot 15, of Unit 9 is not adjacent to SDG&E facilities in Pearl Drive, therefore, does not have access to SDG&E facilities.

The District has an existing 30-foot wide easement adjacent to lot 15 that can be utilized with a JUA for the installation of SDG&E facilities to serve the lot.

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

San Elijo Hills 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 SDG&E for private residence be submitted to the Board for consideration and approval.**

#### REVIEW OF GOALS AND OBJECTIVES FOR FISCAL YEAR 2008/09 STRATEGIC PLAN

Director of Engineering and Operations Lamb presented the Goals and Objectives developed by staff for the fiscal year 2008/09 Strategic Plan document. This document will be provided to each Committee for review and comments. It will then be placed on the Board agenda on July 16, 2008, for Board consideration and approval.

Staff requested that the Engineering/Equipment Committee review the Goals and Objectives for the fiscal year 2008/09 Strategic Plan and recommend that it proceed to the full Board.

**The Engineering/Equipment Committee recommended that the Goals and Objectives for the fiscal year 2008/09 Strategic Plan be submitted to the Board for consideration and approval.**

There being no further business to discuss, the meeting was adjourned at the hour of 12:50 p.m.