

**AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, MARCH 4, 2026, AT 5:00 P.M.
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA**

CALL TO ORDER – PRESIDENT KERSCHBAUM

NOTICE TO THE PUBLIC: Meetings of the Board of Directors of the Vallecitos Water District will be held in the Board Room at the District Office located at 201 Vallecitos de Oro, San Marcos, California, on the date and time identified above.

MEETING BROADCAST: Members of the public may watch the meeting live via computer or smart device by going to the District’s website: vwd.org/meetings and clicking on the “Watch Live” icon; however, they will not be able to participate in the meeting remotely.

LISTEN TO THE MEETING: Members of the public may listen to the meeting live on their phone by dialing (888) 788-0099 (Toll Free) or (877) 853-5247 (Toll Free). When prompted, enter the meeting ID and Passcode displayed on the District’s website.

PLEDGE OF ALLEGIANCE

ROLL CALL

ADDITIONS TO THE AGENDA:

Items may be added to the Agenda if the Board determines, by majority vote, that an emergency exists, or by a two-thirds vote of those present, or unanimously if fewer than two-thirds are present, that immediate action is needed and the necessity arose after the agenda was posted (Government Code Section 54954.2).

ADOPT AGENDA FOR THE REGULAR MEETING OF MARCH 4, 2026.

PUBLIC COMMENT:

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. Public comments are limited to three minutes. A Request to Speak form is required to be submitted to the Board Secretary prior to the start of the meeting, if possible. Public comment should start by stating name, address, and topic. The Board is not permitted during this time to enter into a dialogue with the speaker.

CONSENT CALENDAR ITEMS

All matters listed under the Consent Calendar are expected to be routine and non-controversial, to be acted upon by the Board 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.

1.1 APPROVAL OF MINUTES

- A. Finance & Investment Committee Meeting – February 17, 2026
- B. Closed Session Board Meeting – February 18, 2026
- C. Regular Board Meeting – February 18, 2026

Recommendation: Approve Minutes.

1.2 WARRANT LIST THROUGH MARCH 18, 2026 – \$1,624,701.42

Recommendation: Approve Warrant List.

1.3 REQUEST APPROVAL OF AS-NEEDED ENGINEERING SERVICES AGREEMENT FOR FISCAL YEARS 2025-26 THROUGH 2027-28

Recommendation: Authorize the General Manager to enter into an as-needed engineering professional services agreement with Pacific Advanced Civil Engineering, Inc., subject to the provisions of the contract.

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

ACTION ITEMS

2.1 REQUEST ADOPTION OF RESOLUTION NO. 1710 FOR ORGANIZATIONAL CONFLICT-OF-INTEREST POLICY COVERING DESIGN-BUILD PROJECTS

Recommendation: Approval of Resolution No. 1710, Adopting an Organizational Conflict-of-Interest Policy Covering Design-Build Projects.

2.2 REQUEST ADOPTION OF ORDINANCE NO. 233 IMPLEMENTING ASSEMBLY BILL 1572 PROHIBITING THE USE OF POTABLE WATER FOR IRRIGATION OF NON-FUNCTIONAL TURF (NFT)

Recommendation: Adoption of Ordinance No. 233, Implementing California Assembly Bill 1572 Prohibiting the Use of Potable Water for the Irrigation of Non-Functional Turf.

*******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 STANDING COMMITTEES
- 3.6 DIRECTORS REPORTS ON MEETINGS/CONFERENCES/SEMINARS ATTENDED

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

OTHER BUSINESS

- 4.1 None.

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

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

- 5.1 None.

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

ADJOURNMENT

- 6.1 ADJOURNMENT

*******END OF AGENDA*******

In compliance with the Americans with Disabilities Act, if you have any disability which would require accommodation to enable your participation in this meeting, please notify the Board Secretary at BoardSecretary@VWD.org at least 48 hours prior to the meeting.

Video recordings of all Board meetings can be accessed on the District website www.vwd.org.

AFFIDAVIT OF POSTING

I, Kirsten Peraino, Executive Assistant/Board Secretary of the Vallecitos Water District, certify that this Agenda was posted in the outside display case at the District office, 201 Vallecitos de Oro, San Marcos, California, at least 72 hours prior to the meeting (per Government Code §54954.2).



Kirsten Peraino, Executive Assistant/Board Secretary

MINUTES FOR THE **FINANCE / INVESTMENT COMMITTEE**
OF THE VALLECITOS WATER DISTRICT
TUESDAY, FEBRUARY 17, 2026, AT 3:30 P.M.
AT THE DISTRICT OFFICE IN THE UPPER CONFERENCE ROOM
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

Chair Pennock called the meeting to order at 3:30 p.m.

Present: Chair Pennock
Director Elitharp

Staff Present: General Manager Gumpel
Assistant General Manager Hubbard
Chief Financial Officer Owen
Finance Supervisor Coco-Alberts
Principal Financial Analyst Arthur
Executive Assistant/Board Secretary Peraino

PUBLIC COMMENT

None.

ITEM(S) FOR DISCUSSION

Director of Finance/Chief Financial Officer Owen facilitated the kickoff of the budget process for Fiscal Year (FY) 2026-27 with a presentation covering budget-to-actual results, the upcoming budget calendar, and an update on Other Post Employment Benefits:

- **Review of Budget-to-Actual Results** (Presented by CFO Owen): A six-year historical analysis was conducted to compare actual spending against budgets for water and sewer operations. This review covered water quality, pumping, transmission, distribution, and general administrative costs, as well as an overview of salaries and benefits.
- **Budget Calendar Discussion** (Presented by Finance Supervisor Coco-Alberts): The timeline for the upcoming budget cycle was established, beginning with departmental requests in February followed by Finance Committee reviews in March and April. The process will conclude with Board workshops in May and final approval of the recommended budget scheduled for June 3, 2026.
- **Other Post Employment Benefits (OPEB) Update** (Presented by Principal Financial Analyst Arthur): An update was provided on the District's "closed" OPEB system, which currently supports 40 active employees and 25 retirees. As of December 2025, the trust is 110.4% funded with a balance of approximately \$6.08 million, resulting in a net positive position of \$570,000.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 4:19 PM.

MINUTES OF A **CLOSED SESSION** MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, FEBRUARY 18, 2026, AT 4:00 P.M.
AT THE DISTRICT OFFICE IN THE BOARD ROOM
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Kerschbaum called the Closed Session meeting to order at the hour of 4:00 p.m.

Present: Director Kerschbaum (President)
Director Elitharp (Vice President)
Director Pennock
Director Hernandez
Director Brown

Staff Present: General Manager Gumpel
Legal Counsel Gilpin
Director of Administrative Services Aviles
Executive Assistant/Board Secretary Peraino

ADDITIONS TO THE AGENDA

None.

ADOPT AGENDA FOR THE CLOSED SESSION MEETING OF FEBRUARY 18, 2026

MOTION WAS MADE by Director Brown, seconded by Director Pennock, and unanimously carried, to adopt the agenda for the Closed Session Meeting of February 18, 2026.

PUBLIC COMMENT

None.

CLOSED SESSION

1.1 GOVERNMENT CODE §54957.6 – CONFERENCE WITH LABOR NEGOTIATORS:

Designated Representatives: *General Manager James Gumpel, Director of Administrative Services Denise Aviles, & Legal Counsel Jim Gilpin, BBK*

Employee Organization: Vallecitos Water District Employees Association

MOTION WAS MADE by Director Hernandez, seconded by Director Pennock, and unanimously carried, to move into Closed Session pursuant to Government Code Section 54957.

REPORT AFTER CLOSED SESSION

Legal Counsel Gilpin stated that the Board adjourned to Open Session at 4:42 PM. There was no reportable action from the Closed Session Meeting.

ADJOURNMENT

2.1 ADJOURNMENT

There being no further business to discuss, President Kerschbaum adjourned the Closed Session Meeting of the Board of Directors at the hour of 4:45 PM.

Jennifer Kerschbaum, Board President
Vallecitos Water District

ATTEST:

Kirsten Peraino, Board Secretary
Vallecitos Water District

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, FEBRUARY 18, 2026, AT 5:00 P.M.
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Kerschbaum called the Regular meeting to order at the hour of 5:00 p.m.

Present: Director Kerschbaum (President)
Director Elitharp (Vice President)
Director Pennock
Director Hernandez
Director Brown

Staff Present: General Manager Gumpel
Assistant General Manager Hubbard
Legal Counsel Gilpin
Director of Engineering Lopez
Director of Operations Bennett
Director of Administrative Services Aviles
Mechanical Maintenance Manager Muller
Information Technology Analyst Todd
Executive Assistant / Board Secretary Peraino

Executive Assistant/Board Secretary Peraino led the pledge of allegiance.

ADDITIONS TO THE AGENDA

None.

ADOPT AGENDA FOR THE REGULAR MEETING OF FEBRUARY 18, 2026.

MOTION WAS MADE by Director Pennock, seconded by Director Brown, and unanimously carried; the Board adopted the agenda for the Regular Board Meeting of February 18, 2026.

PUBLIC COMMENT

None.

CONSENT CALENDAR

MOTION WAS MADE by Director Hernandez, seconded by President Kerschbaum, and unanimously carried, to approve the following Consent Calendar as presented:

1.1 APPROVAL OF MINUTES

- A. P 3 Committee Meeting – February 3, 2026
- B. Regular Board Meeting – February 4, 2026

CONSENT CALENDAR (continued)

- 1.2 WARRANT LIST THROUGH FEBRUARY 18, 2026 – \$9,027,741.15
- 1.3 FINANCIAL REPORTS
- 1.4 AUTHORIZATION TO EXECUTE A CLOUD HOSTING AGREEMENT WITH TOTAL RESOURCE MANAGEMENT FOR IBM MAXIMO

ACTION ITEM(S)

- 2.1 OPERATIONS AND MAINTENANCE METRICS – CALENDAR YEAR 2025 RECAP

Director of Operations Bennett provided a recap of the District's Operations & Maintenance (O & M) Department's Metrics for Calendar Year 2025.

This item was for informational purposes only; no action was requested or required.

- 2.2 ADOPTION OF ORDINANCE NO. 232, ESTABLISHING A POLICY REGARDING BOARD TRAVEL AND AMENDING ORDINANCE NO. 229

The Board considered a proposal to adopt Ordinance No. 232, which establishes a revised policy for Director travel and lodging, and to concurrently amend Ordinance No. 229 (a technical amendment to Section 2.3 of Ordinance No. 229, replacing outdated references to Resolution No. 1365 with the new regulatory framework established by Ordinance No. 232). This item was initiated following a request by Director Hernandez to allow for overnight lodging reimbursements during multi-day conferences held within San Diego County. Historically, the District's practice has been to exclude reimbursement for local overnight stays; however, the new ordinance provides flexibility for Directors to stay on-site for local functions that span multiple days.

Staff noted the adoption of these changes would result in a minimal fiscal impact on the District budget. Based on these factors, staff recommended the Board formally adopt Ordinance No. 232 and approve the clarifying amendments to Ordinance No. 229 to ensure consistency across all District travel and reporting policies.

MOTION WAS MADE by Vice President Elitharp, seconded by Director Hernandez, and unanimously carried, to 1) Adopt Ordinance No. 232 approving the changes to the Board Travel Policy, and 2) Amend Section 2.3 of Ordinance No. 229 by removing the reference to District Resolution No. 1365 and substituting with a reference to the newly adopted Ordinance No. 232.

REPORTS

- 3.1 GENERAL MANAGER

General Manager Gumpel shared several District updates, including the announcement that the District's annual 4th-grade poster contest for the 2027 North County Water Agencies' calendar has officially begun.

3.2 DISTRICT LEGAL COUNSEL

None.

3.3 SAN DIEGO COUNTY WATER AUTHORITY (SDCWA)

None.

3.4 ENCINA WASTEWATER AUTHORITY (EWA)

Director Hernandez provided highlights from the EWA Capital Improvement Committee Meeting of February 18, 2026.

3.5 STANDING COMMITTEES

Director Pennock provided highlights from the Finance & Investment Committee Meeting of February 17, 2026.

3.6 DIRECTORS REPORTS ON TRAVEL / CONFERENCES / SEMINARS ATTENDED

None.

OTHER BUSINESS

4.1 OTHER BUSINESS

QUARTERLY BOARD EXPENSES

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

5.1 DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

None.

ADJOURNMENT

6.1 ADJOURNMENT

There being no further business to discuss, President Kerschbaum adjourned the Regular Meeting of the Board of Directors at the hour of 5:27 PM.

Jennifer Kerschbaum, Board President
Vallecitos Water District

ATTEST:

Kirsten Peraino, Board Secretary
Vallecitos Water District

VALLECITOS WATER DISTRICT
WARRANTS LIST
March 4, 2026

2/24/2026 11:34

PAYEE	DESCRIPTION	CHECK#	AMOUNT
Garnishment	Payroll Garnishments	133570	-
24 Hour Elevator, Inc.	Elevator Repairs - Jan & Elevator Maintenance - Feb	133571	713.99
Adobe Lock & Safe	Entry Door Repair - BLDG A - Engineering	133572	763.25
AT&T	Phone Svc - Jan	133573	63.71
B & C Crane Service, Inc.	Crane Rental Svcs - DPPS Pump 1 - Prj 20251-18	133574	720.00
Bemus Landscape, Inc.	Tree Trim/Removal - Coggan PS, MRF, & Via Vera Cruz Tank, Landscaping - MRF & HQ - Jan	133575	16,696.15
Benjamin Verdugo	Closed Account Refund	133576	301.16
Bonsall Petroleum Construction, Inc.	Service Call & Repair - Fault Code - Pulser Assembly - Fuel Island	133577	814.95
Brandon & Rachel Dietrich	Closed Account Refund	133578	78.62
Integrated Power Services	Pump 2 Refurbishments - Coggan PS Prj 20211-8 & NTOPS Prj 20261-27	133579	41,671.16
Consolidated Water Technologies, Inc.	Trioxyn	133580	30,000.47
Corodata Media Storage	Backup Storage Tapes - Jan	133581	265.16
County of San Diego	Recording Fees - Jan	133582	82.00
Electrical Sales	UPS for Analyzers - 2 - TOR & South Lake	133583	2,995.18
Gabriella Grace Pike	Overpayment Reimbursement - VWD AR Invoice #1354	133584	470.00
Geo Pacific Services, Inc.	Temporary Construction Meter Refund	133585	1,250.00
Glenn Pruim	Reimbursement - HRA Claim - Feb	133586	1,956.76
Government Portfolio Advisors	Investment Management Svcs - Jan	133587	2,820.97
Hardy Diagnostics	Sterile Water	133588	330.73
Harper & Associates Engineering, Inc.	Coronado Hills & Richland Tank - Warranty Evaluations - Jan	133589	2,275.00
Infosend Inc	Postage, Printing, Door Hangers, Processing & Svcs, Support Fee - Jan	133590	9,117.02
Interstate Batteries	Vehicle Battery	133591	169.99
Core-Rosion Products Inc.	Custom Heated Cylinder Blanket - Prj 20251-20	133592	5,963.03
Ambius	Plant Maintenance Svcs - Feb	133593	380.54
Jack Henry & Associates	Remit Plus Support - Jan	133594	98.09
Knight Security & Fire Systems	Answering, Monitoring, & Patrol Svcs - MRF & HQ - Feb	133595	823.35
Lake San Marcos Kiwanis Club	Placemat Ad Svcs Prj 20261-50	133596	125.00
AlertGPS	Device Locating Subscription Svcs - MRF - Feb	133597	132.00
Manpower Temp Services	Temp Svcs - Warehouse - Feb	133598	1,800.00
NV5	Tres Amigos Waterline Construction Prj 20201-3	133599	23,833.93
Occu-Med	Medical Svcs - Jan	133600	393.80
Olivenhain MWD	Treated Water - Jan	133601	109,446.25
Ostari Inc	SCADA Network Dev. Prj 20251-9, Netwrix Subscription Renewal - 25-26, & IT Support - Feb	133602	22,925.30
Pacific Advanced Civil Engineering Inc	Expert Engineering Witness Svcs - Jan	133603	215.00
Enterprise Automation	SCADA Upgrade Study Prj 20251-2, MRF Neuros Blowers Prj 20241-20, & Integration Svcs	133604	69,396.15
PDQ Equipment	John Deere Gator - Landscaping Offroad Spray Rig - Prj 20261-43	133605	20,780.47
Quartic Solutions LLC	GIS Technical Support - Sept - Jan	133606	15,531.26
Raymond Allyn Business Supplies Inc.	Sit Stand Desk & Furniture - Purchasing, Utility Manager, & Meter Supervisor	133607	17,862.85
Smogs By Rita	Fleet Smog Testing - 8 Vehicles	133608	440.00
Roth Staffing Companies, L.P.	Temp Svcs - Purchasing - Feb	133609	4,736.28
Centre For Organizational Effectiveness	Supervisors Academy Training - 4 Class Dates - Feb - Apr	133610	999.00
Centre For Organizational Effectiveness	Coaching Support Svcs - 25-26	133611	2,152.50
SDG&E	Power - Jan	133612	78,864.81
Shabana Khan	Closed Account Refund	133613	77.85
Superior Ready Mix Concrete LP	Rock & Cold Mix	133614	1,132.93
Tank Specialists of California	Fuel Island Inspection - Jan	133615	240.00
Terra Verde Energy LLC	Solar Panel Study Prj 20261-8	133616	2,963.75
Thayer Water Inc.	Coggan PS Improvements Prj 20211-8, & Via Vera Cruz Tank Rockfall Evaluation Prj 20261-11	133617	3,398.00
Total Resource Management	Maximo Support - Fixed Fee Interval Consulting, 25-26 Support Prj 20261-20, & Jan Support	133618	46,430.00
Vaughan's Industrial Repair	Pump 2 Refurbishments - Coggan PS Prj 20211-8 & NTOPS Prj 20261-27	133619	46,226.93
Verizon Wireless	Ipad & Cell Phone Svc - Jan	133620	4,382.59
A. Preman Roofing, Inc	Roof Replacement - HQ - Bldgs A & B - Prj 20241-3	133621	95,275.51
Airgas USA LLC	Welding Machine & Welding Accessories - Mechanics Shop	133622	5,613.45
APGN Inc.	NEUROS Blower #2 Repair - MRF Aeration System	133623	3,885.00
Municipal Sewer Tools	Magnet Cover Removers -3	133624	1,088.68
CDW Government	Adobe Acrobat License	133625	93.46
Cintas	First Aid Kit Servicing - HQ	133626	267.56
Akeso Occupational Health	Medical Svcs	133627	180.00
ENR	Engineering News Record Membership Renewal 25-26	133628	99.99
Ferguson Waterworks	Pump Control Valve Repair Kits - 3, Cla Val Repair Kits - 3	133629	4,868.96
Grainger Inc	Tubing Cutters & Blades - 10, Multi Tool Pliers - 4, Sump Pump, Hard Hats - 2 & Motor Coupler	133630	3,457.00
Hach Company	pH Probe Replacement Sensor - 4 Twin Oaks Reservoir, & Nitrate Strips - MRF	133631	9,761.35
Josh Cooper Tools	Tools - Veh 302	133632	1,391.95
Lawnmowers Plus	Landscaping Supplies	133633	127.59
Lloyd Pest Control	Gopher Control Svcs - South Lake & Pest Control Services - Feb	133634	199.00
Mallory Safety & Supply LLC	Safety Vests, & Hard Hats - 5	133635	3,504.15
MBN Group Architects	HVAC Replacement - HQ - Prj 20231-3	133636	42,681.90

VALLECITOS WATER DISTRICT

WARRANTS LIST

March 4, 2026

2/24/2026 11:34

PAYEE	DESCRIPTION	CHECK#	AMOUNT
McMaster-Carr Inc	Exhaust Fan Thermostats - 3, & Building Wire - NTOPS, Ball Valves - 14	133637	1,709.00
One Source Distributors	Potable PLC - MRF Prj 20261-7	133638	2,784.47
Pacific Pipeline Supply	Meter Box Lids - 25, Repair Clamps - 2, & Bolt Sets - 8	133639	6,460.03
Enterprise Automation	SCADA Incident Response Planning Prj 20251-16	133640	1,460.00
Sunshine Water Softeners	Water Softener Svc - Jan	133641	56.00
Red Wing Brands of America	Safety Boots	133642	250.00
SSA Solar of CA 5 LLC	District Wide Solar Project Svcs - Jan	133643	16,907.16
The Hiller Companies, LLC.	Fire Extinguisher Training 2-10-26	133644	720.00
Trane	HVAC Control Diagnostics - HQ	133645	3,972.13
Uline Inc	55 Gallon Drums - For Carbon Disposal & Safety Gloves	133646	1,263.04
Unifirst Corporation	Uniform Delivery	133647	1,805.62
Walters Wholesale Electric	Materials For Rewiring of Pump 2 - Coggan PS Prj 20211-8	133648	839.94
Waxie Sanitary Supply	Upright Vacuums - 3 & Janitorial Supplies	133649	3,097.42
T.S. Industrial Supply Inc.	Marking Paint - Construction Dept	133650	595.18
Total Disbursements (80 Checks)			<u>809,723.47</u>
WIRES			
U.S. Bank	Cal Card Payment - Statement Date 2/06/26	Wire	31,617.32
Public Employees Retirement System	Retirement Contribution - February 18, 2026 Payroll	Wire	93,387.44
U.S. Bank	U.S. Bank 2008 Loan Debt Payment - Interest	Wire	15,000.00
U.S. Bank	U.S. Bank 2008 Loan Debt Payment - Principal	Wire	200,000.00
Alison Fisher	Tuition Reimbursement, CWEA MFRO Tour Reimbursement	Wire	360.33
Total Wires			<u>340,365.09</u>
PAYROLL			
Total Direct Deposits		Wire	283,550.63
Payroll & Garnishments	Payroll Garnishments	133570	1,233.21
IRS	Federal Payroll Tax Deposits	Wire	111,008.75
Employment Development Department	California Payroll Tax Deposits	Wire	25,283.07
Empower 457	Deferred Compensation Withheld	Wire	53,537.20
Total February 18, 2026 Payroll Disbursements			<u>474,612.86</u>
TOTAL DISBURSEMENTS			<u><u>1,624,701.42</u></u>

DATE: MARCH 4, 2026
TO: BOARD OF DIRECTORS
SUBJECT: APPROVAL OF AS-NEEDED ENGINEERING SERVICES AGREEMENT FOR FISCAL YEARS 2025/2026 THROUGH 2027/2028

BACKGROUND:

Vallecitos Water District routinely requires engineering professional services for its capital projects, emergency tasks, and other unscheduled projects. The cost of these services is generally minor and going through the formal engineering request for proposals process is not justified.

DISCUSSION:

Based on experience, it is in the District's best interest to negotiate standard fees for these types of services. Over the past decade, staff has negotiated reduced rates, on an annual basis, with selected engineering/design/specialty firms which have submitted resumes, provided statements of qualifications and/or proposals. If approved, the proposed as-needed agreement will be in effect for Fiscal Year 2025/2026 through 2027/2028.

Staff has selected Pacific Advanced Civil Engineering, Inc. (PACE) for as-needed services. PACE specializes in lake water quality and limnology planning and design and has worked with District staff for more than 10 years providing technical expertise surrounding Lake San Marcos issues.

FISCAL IMPACT:

The above consultant submitted a statement of qualifications for professional services on a time and materials basis. The hourly rates are often reduced from their normal rates because certain administration/marketing costs are not required for the "on-call" nature of the work involved. As-needed agreements are utilized for contracts in accordance with the District's purchasing policy.

STRATEGIC PLAN / TACTICAL INITIATIVES:

The District's use of as-needed consultants supports various aspects of the District's Strategic Plan, including Strategic Focus Area 1: Infrastructure Integrity, Focus Area 2: Fiscal Responsibility, and Focus Area 6: Environmental Stewardship.

RECOMMENDATION:

Authorize the General Manager to enter an as-needed engineering professional services agreement with Pacific Advanced Civil Engineering, Inc., subject to the provisions of the contract.

DATE: MARCH 4, 2026
TO: BOARD OF DIRECTORS
SUBJECT: RESOLUTION NO. 1710 ADOPTING AN ORGANIZATIONAL CONFLICT-OF-INTEREST POLICY COVERING DESIGN-BUILD PROJECTS

BACKGROUND:

Vallecitos Water District is interested in utilizing Design-Build (DB) and Progressive Design-Build (PDB) project delivery methods to streamline delivery of certain capital improvements. Unlike traditional Design-Bid-Build projects where the District separately procures design and construction services with different firms, DB/PDB projects procure design and construction services under a single contract with one entity.

California Public Contract Code §§ 22162(c), 22171.5, and 22185.2 require local agencies using DB/PDB to develop guidelines for an Organizational Conflict-of-Interest (COI) policy to prevent unfair competitive advantages and maintain public trust. In connection with the District's ongoing Supervisory Control and Data Acquisition (SCADA) upgrade, staff has developed an Organizational Conflict-of-Interest (COI) policy to uphold procurement integrity and ensure compliance with applicable laws and regulations. This policy is intended to govern the current SCADA project and will serve as a foundational requirement for all future capital projects utilizing the Design-Build (DB) or Progressive Design-Build (PDB) delivery methods.

DISCUSSION:

This policy serves as the District's primary mechanism for identifying and mitigating ethical or legal conflicts during the procurement and execution of DB/PDB projects. It will be used in the following ways:

- **Procurement Guardrails:** The policy will be physically incorporated into project Request for Qualifications (RFQ) and Request for Proposals (RFP). It informs potential bidders exactly what roles are not allowed, such as serving as the "Owner's Representative" while simultaneously trying to join a DB team.
- **Mandatory Disclosure:** Proposers are required to provide a full written disclosure of any past work related to a project. This shifts the burden of proof to the bidder, ensuring the District has all necessary facts before awarding a contract.
- **Mitigation and Neutralization:** The policy is not a "blanket ban" on all firms. Instead, it provides a framework where a firm can propose measures to avoid, neutralize, or mitigate a potential conflict. The District then uses its sole discretion to decide if those measures are sufficient.
- **Enforcement and Termination:** This is a "living" requirement. If a conflict is discovered after a contract is signed, the District has the legal authority to terminate the agreement for material breach. This protects the District from liability and ensures project integrity is always maintained.

FISCAL IMPACT:

None.

STRATEGIC FOCUS AREA:

This action aligns with the District's Strategic Focus Area 2: Organizational Improvement/ Efficiency supporting Governance & Risk Management. Adopting an Organizational COI policy strengthens District procurement governance for delivery of the SCADA upgrade and other capital improvements using DB/PDB delivery methods. The policy supports transparent, fair, and defensible procurements; reduces the risk of unfair competitive advantage; and helps protect public trust while enabling timely project delivery.

RECOMMENDATION:

Staff recommends approval of Resolution No. 1710 adopting an Organizational Conflict-of-Interest Policy Covering Design-Build Projects.

ATTACHMENT:

Resolution No. 1710

RESOLUTION NO. 1710

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE VALLECITOS WATER DISTRICT ADOPTING AN
ORGANIZATIONAL CONFLICT-OF-INTEREST POLICY
COVERING DESIGN-BUILD PROJECTS**

WHEREAS, Vallecitos Water District (“District”) is a county water district established and organized pursuant to California Water Code § 30000 et seq.; and

WHEREAS, California Public Contract Code § 22171 et seq. and § 22185 et seq. authorize local agencies to utilize the progressive design-build project delivery method and California Public Contract Code § 22160 et seq. authorizes local agencies to utilize the traditional design-build project delivery method; and

WHEREAS, design-build and progressive design-build are project delivery methods in which both the design and construction of a project are procured from a single entity, called the design-builder. The design-builder is selected based on consideration of certain factors such as qualifications, experience and cost; and

WHEREAS, California Public Contract Code §§ 22162(c), 22171.5 and 22185.2 require a local agency entering into design-build and progressive design-build contracts to develop guidelines for a standard organizational conflict-of-interest policy regarding the ability of consultants or contractors to submit a proposal as a design-build entity or join a design-build team; and

WHEREAS, the purpose of the organizational conflict-of-interest policy is to establish standards and procedures to prevent prohibited conflicts-of-interests and allow for the potential resolution of any conflicts-of-interest during the procurement of design-builders and during the performance of contracts.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Vallecitos Water District approve and adopt the Organizational Conflict-of-Interest Policy Covering Design-Build Projects attached hereto in Exhibit A.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Vallecitos Water District at a meeting held on this 4th day of February 2026 by the following roll call vote:

ATTEST:

Jennifer Kerschbaum, *Board President*
Vallecitos Water District

Kirsten Peraino, *Board Secretary*
Vallecitos Water District

Exhibit A

VALLECITOS WATER DISTRICT ORGANIZATIONAL CONFLICT-OF-INTEREST POLICY COVERING DESIGN-BUILD PROJECTS

Purpose:

The purpose of this organizational conflict-of-interest policy is to establish guidelines, consistent with applicable law and as required under California Public Contract Code sections 22162(c), 22171.5, and 22185.2, regarding the ability of consultants or contractors (collectively, "Firm") to submit a proposal as a design-build entity, or to join a design build team, relating to progressive design-build or design-build projects (collectively, "Design-Build Project") for the Vallecitos Water District ("District").

Policy:

A Firm will not be allowed to participate as a design-build entity or to join a design-build team if, without limitation, any of the following is true (each a "conflict-of-interest"):

- Firm is under contract with the District to perform project management or administration of the Design-Build Project on behalf of the District. These efforts may also be referred to as owner's representative services.
- Firm is under contract with any other entity or stakeholder to perform oversight of the design-build team for the District on the Design-Build Project.
- Firm has performed work on a previous contract with the District that expressly excludes them from participating as a design-build entity or joining a design-build team on the Design-Build Project.
- Firm would violate Government Code section 1090, including, but not limited to, Government Code section 1097.6.
- Firm would violate any other applicable federal or state conflict-of-interest rules and regulations.

Firm's Obligations:

Firm shall make a full written disclosure to the District in the response documents to a request for qualifications or request for proposals for a Design-Build Project, including the facts and circumstances regarding a conflict-of-interest or a potential conflict-of-interest and shall have a continuing obligation to do so during the Design-Build Project. When providing information related to such conflicts, the Firm shall also disclose all work previously performed in relation to the Design-Build Project.

Firm shall conform to applicable federal and state conflict-of-interest rules and regulations including, without limitation, the California Political Reform Act, California Government Code Section 1090, the federal Copeland "Anti-Kickback" Act and federal conflict-of-interest rules set forth in the federal funding agency's administrative grant and cooperative agreement regulations. Federal conflict-of-interest rules and regulations shall only apply where the Design-Build Project receives federal funding.

Conflict-of-Interest Issues:

Resolution of a conflict-of-interest issue is ultimately at the sole discretion of District. If a Firm determines a conflict-of-interest or potential conflict-of-interest exists, it must disclose this to the District. The disclosure may or may not disqualify a Firm from being awarded a contract. Firm shall propose measures to avoid, neutralize, or mitigate each conflict-of-interest or potential conflict-of-interest. District, in its sole discretion, shall determine whether the proposed measures are sufficient to overcome the conflict-of-interest or potential conflict-of-interest and whether the Firm may continue with the procurement process. District has the right to terminate or amend a resulting Design-Build Project contract if the successful Firm failed to disclose a conflict-of-interest or potential conflict-of-interest it knew or should have known about, or if Firm provided information in its disclosure that is false or misleading.

The successful Firm to whom a contract is awarded has an ongoing obligation to monitor and disclose any conflict-of-interest or potential conflict-of-interest. District has a right to ongoing enforcement of this policy. If a conflict-of-interest is discovered after award, Firm will make an immediate and full written disclosure to District that includes a description of the action that Firm has taken or proposes to take to avoid or mitigate such conflicts. If a conflict-of-interest is determined to exist and Firm was aware of the conflict-of-interest prior to award of the contract and did not disclose the conflict-of-interest, District may terminate the contract with Firm for material breach. If Firm is terminated, District assumes no obligations, responsibilities and liabilities to reimburse all or part of the costs incurred or alleged to have been incurred by Firm.

This policy shall be incorporated by reference into and included as part of all District Design-Build Project requests for qualifications or requests for proposals, and all District Design-Build Project contracts. This policy shall not constitute a limitation on the obligations of Firm in relation to any organizational conflict-of-interest.

DATE: MARCH 4, 2026
TO: BOARD OF DIRECTORS
SUBJECT: ORDINANCE IMPLEMENTING ASSEMBLY BILL 1572 PROHIBITING THE USE OF POTABLE WATER FOR IRRIGATION OF NONFUNCTIONAL TURF

BACKGROUND:

California Assembly Bill (AB) 1572, signed into law in 2023, directs urban water suppliers to prohibit the use of potable water for the irrigation of nonfunctional turf. Nonfunctional turf is generally defined as grass not used for recreational, civic, or community purposes and is in areas such as street medians, parking lot islands, business parks, and other ornamental landscapes.

The legislation reflects California’s continued response to climate change, drought, and increasing demands on limited water supplies. While functional turf such as sports fields, parks, and residential lawns used for recreation may continue to be irrigated, AB 1572 targets decorative turf providing minimal community benefit while requiring significant water use.

DISCUSSION:

The proposed ordinance establishes District authority to restrict the use of potable water for irrigating nonfunctional turf, consistent with state law. It provides clear definitions, outlines applicability, and sets forth enforcement provisions while allowing for reasonable implementation and public outreach.

Importantly, this ordinance does not represent an opposition to turf in general. Rather, it reflects the District’s responsibility to ensure potable water is used efficiently and for essential purposes. Customers will continue to have flexibility in maintaining functional turf and may explore alternative landscaping options such as drought-tolerant plants, or native species.

Adoption of this ordinance also positions the District to remain eligible for state funding and demonstrates compliance with current and future water efficiency regulations.

FISCAL IMPACT:

There is no immediate fiscal impact associated with adoption of the ordinance. Any administrative or enforcement costs are expected to be minimal and absorbed within existing staff resources.

STRATEGIC PLAN / TACTICAL INITIATIVES:

Strategic Focus Area No.6: Environmental Stewardship.

RECOMMENDATION:

Adopt an Ordinance of the Vallecitos Water District implementing California Assembly Bill 1572, prohibiting the use of potable water for the irrigation of nonfunctional turf within the District’s service area.

ATTACHMENT:

Draft Ordinance No. 233

ORDINANCE NO. 233

AN ORDINANCE OF THE VALLECITOS WATER DISTRICT IMPLEMENTING CALIFORNIA ASSEMBLY BILL 1572 PROHIBITING THE USE OF POTABLE WATER FOR THE IRRIGATION OF NONFUNCTIONAL TURF

WHEREAS, Water Code section 31027 authorizes the District to adopt ordinance regarding the restrictions, prohibitions, and exclusions of water use;

WHEREAS, California Assembly Bill 1572 (AB 1572), as codified in the California Water Code sections 110 and 10608.14, declares the use of potable water to irrigate non-functional turf as wasteful and prohibits its use for the irrigation of nonfunctional turf at commercial, industrial, and institutional properties, other than a cemetery, and on properties of homeowners' associations, common interest developments, and community service organizations or similar entities, with certain limited exceptions;

WHEREAS, AB 1572 requires the District revise or adopt an ordinance to enforce the state-mandated prohibitions under Water Code section 10608.14;

WHEREAS, the San Diego region is subject to recurring drought conditions and limited imported water supplies, making long-term water use efficiency critical to the health, safety, and welfare of the District's customers; and

WHEREAS, implementing AB 1572 locally ensures compliance with State law, conserves water, and provides clear guidance for District customers.

BE IT ORDAINED by the Board of Directors of the VALLECITOS Water District as follows:

SECTION 1. INCORPORATION OF RECITALS

The Recitals set forth above are incorporated herein, are made findings and determination of the Board of Directors, and are an operative part of this Ordinance.

SECTION 2. DEFINITIONS

For the purposes of this Ordinance, the following definitions shall apply:

“Common area” means that portion of a common interest development or of a property owned or managed by a HOA or a community service organization or similar entity not assigned or allocated to the exclusive use of the occupants of an individual dwelling unit within the property.

“Commercial property” means any real property, or portion of real property, used or occupied primarily for commercial purposes, including the provision or distribution of a product or service, whether for profit or not for profit, and whether or not open to the general public.

“Common interest development” means a community apartment project, condominium project, a planned development or stock cooperative.

SECTION 2. DEFINITIONS (continued)

“Community service organization or similar entity” means a nonprofit entity, other than an association, organized to provide services to residents of the common interest development or to the public in addition to the residents, to the extent community common area or facilities are available to the public. It does not include an entity organized solely to raise moneys and contribute to other nonprofit organizations qualified as tax exempt under Section 501(c)(3) of the Internal Revenue Code and that provide housing or housing assistance.

“Community space” means an area designated by a property owner or a governmental agency to accommodate human foot traffic for civic, ceremonial, or other community events or social gatherings.

“Disadvantaged community” means a community with an annual median household income less than 80 percent of the statewide annual median household income.

“Homeowners’ Association” or **“HOA”** means a nonprofit corporation or unincorporated association created for the purpose of managing a common interest development.

“Industrial Property” means any real property, or portion of real property, used or occupied primarily by a manufacturer or processor of materials within North American Industry Classification System (NAICS) sectors 31 to 33, inclusive; or an entity primarily engaged in research and development.

“Institutional Property” means any real property, or portion of real property, used or occupied primarily for public service purposes, including, without limitation, higher education institutions, schools, courts, churches, hospitals, government facilities, and nonprofit research institutions.

“Non-functional turf” means any turf that is not functional turf.

“Functional turf” means a ground cover surface of turf located in a recreational use area or community space.

“Potable water” means water suitable for human consumption supplied by the District’s domestic water system.

“Recreational use area” means an area designated by a property owner or a governmental agency to accommodate human foot traffic for recreation, including, but not limited to, sports fields, golf courses, playgrounds, picnic grounds, or pet exercise areas. This recreation may be either formal or informal.

“Turf” means a living ground cover surface of mowed grass.

SECTION 3. RESPONSIBILITY

The customer of the District whose name is on the account shall be responsible for compliance with the provisions of this Ordinance.

SECTION 4. EXISTING RULES AND REGULATIONS

This Ordinance is supplemental to and does not repeal or replace any other current District rule or regulation concerning water conservation or restrictions, unless explicitly stated. The requirements herein do not affect any other limits on watering hours, responsibilities to fix leaks or breaks, or any other activities in which water may be used within the District.

SECTION 5. PROHIBITION

- A. The use of potable water for the irrigation of nonfunctional turf located on commercial, industrial, and institutional properties, other than a cemetery, and on properties of homeowners' associations, common interest developments, and community service organizations or similar entities is prohibited as follows:
1. All properties owned by the Department of General Services, beginning January 1, 2027;
 2. All properties owned by local governments, local or regional public agencies, and public water systems, except those specified in paragraph (5), beginning January 1, 2027;
 3. All other institutional properties and all commercial and industrial properties, beginning January 1, 2028;
 4. All common areas of properties of homeowners' associations, common interest developments, and community service organizations or similar entities, beginning January 1, 2029; and
 5. All properties owned by local governments, local public agencies, and public water systems in a disadvantaged community, beginning January 1, 2031, or the date upon which a state funding source is made available to fund conversion of nonfunctional turf on these properties to climate-appropriate landscapes, whichever is later.
- B. Non-functional turf includes, but is not limited to, the following:
1. Turf located within street rights-of-way and parking lots;
 2. Turf on narrow strips (10 ft wide or less) next to sidewalks, fences, or buildings;
 3. Turf that is purely ornamental;
 4. Turf at entries, signage areas, or gateways;
 5. Turf on steep slopes at a 25% grade or more;
 6. Common areas of homeowners' associations, common interest developments, and community service organizations or similar entities not otherwise designated as a recreational use area or community space;
 7. Turf which is enclosed by fencing or other barriers to permanently preclude human access for recreation or assembly.

SECTION 6. EXCEPTIONS AND EXCLUSIONS

The restrictions on potable water use in the section above do not apply to:

- A. Residential properties; residential customers may continue to irrigate turf subject to the District's water conservation ordinance;
- B. Cemeteries;
- C. Community spaces;
- D. Recreational use areas; and
- E. Irrigation necessary to ensure the health of trees and other perennial non-turf vegetation, or to the extent necessary to address an immediate health and safety need.

SECTION 7. CERTIFICATION FOR LARGE COMMERCIAL, INDUSTRIAL, AND INSTITUTIONAL PROPERTIES

- A. Pursuant to Water Code section 10608.14(e)(1), customers having more than 5,000 square feet of irrigated area in commercial, industrial, or institutional property shall certify their compliance to the State Water Resources Control Board, commencing June 30, 2030, and every three years thereafter through 2039.
- B. Pursuant to Water Code section 10608.14(e)(2), customers having more than 5,000 square feet of irrigated common area that is a homeowners' association, common interest development, or community service organization or similar entity shall certify their compliance to the State Water Resources Control Board, commencing June 30, 2031, and every three years thereafter through 2040.
- C. Proof of certification shall be provided to the District in a manner prescribed by the General Manager, or designee.

SECTION 8. ENFORCEMENT

- A. The General Manager, or designee, shall administer and enforce this Ordinance.
- B. Enforcement actions are cumulative and may include one or more of the following:
 - 1. Written notice of non-compliance or Notice of Violation;
 - 2. Installation of a flow-restricting device in the meter at customer's expense; or
 - 3. Pursuant to the District's authority under Water Code section 377, fines:
 - a. One hundred dollars (\$100.00) for a first violation;
 - b. Two hundred dollars (\$200.00) for a second violation of any provision of this ordinance within one year of the prior violation; and
 - c. Five hundred dollars (\$500.00) for each additional violation of this ordinance within one year of the prior violation.

SECTION 9. APPEALS

Any customer subject to enforcement action under this Ordinance may file an appeal with the District within thirty (30) days of receiving a Notice of Violation. Appeals shall be considered by the Board of Directors, whose decision shall be final.

SECTION 10. CEQA COMPLIANCE

Based upon the whole of the administrative record before it, the Board of Directors hereby finds that adoption of this Ordinance is exempt from environmental review under the California Environmental Quality Act ("CEQA") (Pub. Res. Code, § 21000 et seq.) pursuant to State CEQA Guidelines (Cal. Code Regs., tit. 14, § 15000 et seq.) sections 15061(b)(3) and 15378(b)(5).

SECTION 11. SEVERABILITY

If any section, subsection, sentence, clause, or phrase of this Ordinance is held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance.

SECTION 12. EFFECTIVE DATE

This Ordinance shall become effective immediately upon adoption, subject to the effective date set forth in Section 5.

PASSED AND ADOPTED by the Board of Directors of the Vallecitos Water District on this 4th day of March 2026, by the following vote:

ATTEST:

Jennifer Kerschbaum, *Board President*
Vallecitos Water District

Kirsten Peraino, *Board Secretary*
Vallecitos Water District