

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, SEPTEMBER 5, 2018, AT 5:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

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

Director Evans led the pledge of allegiance.

Present: Director Elitharp
Director Evans
Director Martin
Director Sannella
Director Hernandez

Staff Present: General Manager Pruim
Legal Counsel Gilpin
District Engineer Gumpel
Finance Manager Owen
Operations & Maintenance Manager Pedrazzi
Capital Facilities Senior Engineer Hubbard
Development Services Senior Engineer Scholl
Accounting Supervisor Glenn
Public Information/Conservation Supervisor Robbins
Financial Analyst Arthur
Human Resources Analyst Anderson
Executive Secretary Posvar

Others Present: Rick Rungaitis, President and CEO, San Marcos Chamber of Commerce

ADOPT AGENDA FOR THE REGULAR MEETING OF SEPTEMBER 5, 2018

18-09-03 MOTION WAS MADE by Director Evans, seconded by Director Martin, and carried unanimously, to adopt the agenda for the Regular Board Meeting of September 5, 2018.

INTRODUCTIONS

Human Resources Analyst Bridget Anderson introduced new employees Brian Fonseca, Wastewater Collection System Worker I, and Matt Thompson, Wastewater Collection System Worker II.

PRESENTATIONS

President Hernandez presented Marc Smith, Wastewater Treatment Plant Operator II, with his Certificate for Wastewater Treatment Plant Operator Grade III from the State Water Resources Control Board.

Rick Rungaitis, President and CEO for the San Marcos Chamber of Commerce, provided a presentation on the benefits of membership.

General discussion took place.

PUBLIC COMMENT

None.

CONSENT CALENDAR

18-09-04 MOTION WAS MADE by Director Martin, seconded by Director Evans, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Closed Session Board Meeting – August 15, 2018
- B. Regular Board Meeting – August 15, 2018
- C. Public Awareness/Personnel/Policy Committee Meeting – August 21, 2018
- D. Finance/Investment Committee Meeting – August 27, 2018

1.2 Warrant List through September 5, 2018 - \$4,842,396.07

1.3 Fall 2018 Between the Pipes – Vallecitos Water District Quarterly Newsletter

ACTION ITEMS

ACCEPTANCE OF NORTH AND SOUTH PRESSURE REDUCING STATION UPGRADES

Capital Facilities Senior Engineer Hubbard stated that the original intent of this project was to bring electrical power to the North and South Pressure Reducing Stations (PRS) in order to install Supervisory Control and Data Acquisition (SCADA) systems for remote monitoring and control. The Board awarded the contract to Atom Engineering on August 16, 2017. During excavation for upgrade of the South PRS, the configuration and layout of existing piping did not match as-built records, forcing unexpected work to replumb the outlet side of the station. In addition, a leak on the existing pipe on the inlet side of the station was detected that required repair. To perform the work for both the replumbing and the repair, a new valve was needed to isolate the station and keep service to 187 customers. This work was performed during nighttime to minimize customer impacts. During this installation, a new valve was also installed at the North PRS to isolate and facilitate the upgrade work at this station. The unforeseen work was a changed condition initiated by the District and resulted in a \$21,367.85 increase to the contractor's contract. The unforeseen work also resulted in a significant amount of unplanned staff time to coordinate customer notification, inspection, water main dewatering and reactivation, and water quality sampling.

To mitigate some of the increases to the contractor's contract, staff was able to eliminate the replacement of two existing valves in the contractor's scope of work after it was determined that the valves were properly functioning and did not need to be replaced. Additionally, working with Operations and IT staff, programming work was removed from the contract and two antennae originally planned to be installed were replaced with smaller wireless modules resulting in lower project costs.

The project schedule was extended due to longer delivery time for certain materials and delays resulting from coordination with SDG&E. Delays to the project schedule contributed to additional unplanned staff time being added to the project budget. All construction work was completed at the beginning of August 2018. There was a total of 5 change orders amounting to a total credit of \$4,839.07

Staff requested the Board approve a budget increase of \$66,557.

General discussion took place.

18-09-05 MOTION WAS MADE by Director Martin, seconded by Director Evans, and carried unanimously, to increase the project budget by \$66,557; accept the project; and, authorize filing Notice of Completion and release of retention funds to contractor provided no claims are filed.

CONFLICT OF INTEREST CODE FOR VALLECITOS WATER DISTRICT BIENNIAL REVIEW AND ADOPTION

General Manager Pruum stated that the Conflict of Interest Code is due for its biennial review as required by Government Code. The following amendments were made to the Code: (1) updated the Section Code for disclosure requirements; (2) added the position titles of Operations & Maintenance Manager, Capital Facilities Senior Engineer, and Development Services Senior Engineer; (3) updated the disclosure category for all designated positions to categories 1 and 2 except for consultants; and (4) amended the allowable gift value from \$460 to \$470.

Staff recommended adoption of the amended Conflict of Interest Code.

18-09-06 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, to adopt the amended Conflict of Interest Code.

FINANCIAL INSTITUTION REGISTRY AND AUTHORIZATION

Finance Manager Owen stated that the report was to present a registry of financial institutions and staff authorized to transact business on behalf of the District. It also serves to notify the Board of Directors of new financial institutions where a resolution is required by the institution naming specific staff members authorized to transact business on behalf of the District. The changes taking place are: (1) addition of one authorized signor, Finance Manager, on the

general checking account at Union Bank, and (2) addition of Accounting Supervisor to the list of staff authorized to transfer funds between LAIF and Union Bank operating account. Existing financial institutions and authorized staff were also listed.

Staff recommended the Board adopt the Local Agency Investment Fund and Union Bank General Checking Account resolutions changing authorizations of financial institutions.

18-09-07 MOTION WAS MADE by Director Sannella, seconded by Director Evans, and carried unanimously, to adopt the resolutions amending the authorizations of financial institutions.

Resolution No. 1542 – the roll call vote was as follows:

AYES: Elitharp, Evans, Martin, Sannella, Hernandez
NOES:
ABSTAIN:
ABSENT:

Resolution No. 1543 – the roll call vote was as follows:

AYES: Elitharp, Evans, Martin, Sannella, Hernandez
NOES:
ABSTAIN:
ABSENT:

REPORTS

GENERAL MANAGER

General Manager Pruim reported the following:

- The California legislative session ended on August 31, 2018 without any movement forward on the two bills related to the water tax.
- Senate Bill 998 passed on the Assembly and Senate floors and is pending the Governor's signature. This bill will significantly change how water agencies conduct their water shutoff programs, making it more difficult for agencies to shut water off for non-payment and reducing the amount of fees that can be charged for shutoffs and re-establishment of services. Staff will establish a new program to reflect the new legislation and will present it to the Board so that they understand what changes must be made and the impact to the District.
- Staff is in the final stages of preparing the facilities Master Plan. The document will be presented to the Board in October which will begin the official 45-day public review process for comments on the Master Plan as well as the accompanying Environmental Impact Report.

DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin stated that once signed, the effective date of Senate Bill 998 will be February 1, 2020. The District will have to adopt written policies regarding discontinuance of water service, delinquent accounts and other related issues.

Legal Counsel Gilpin stated the Board will meet in Closed Session regarding the Lake San Marcos litigation. That meeting is tentatively scheduled for September 19. Updates will be provided on the litigation and settlement negotiations to date.

Legal Counsel Gilpin responded to President Hernandez's question regarding using alternative methods of delivery, specifically the lease-lease back approach. It is possible for the District to use alternative methods of delivery beyond the typical design/bid/build approach, provided the Board adopts a policy to allow alternative methods and amends the District's purchasing policy as well. General discussion took place regarding this topic.

SAN DIEGO COUNTY WATER AUTHORITY

Director Evans stated the SDCWA's lobbyist emailed a statement regarding the water tax bills, suggesting Assemblyman Eduardo Garcia, a member of the Assembly Water, Parks and Wildlife Committee, be involved in helping to sort out the water tax. The Committee provides the SDCWA with a monthly water resources report which includes information on rainfall and temperatures. Temperatures for this year have averaged 5.8 degrees above normal.

Director Evans further stated the SDCWA is working through a funding strategy for their pension plan.

ENCINA WASTEWATER AUTHORITY

President Hernandez stated the Capital Improvement Committee will meet on September 19.

Director Elitharp stated the September Policy and Finance Committee was cancelled. The next meeting is scheduled for October 9.

STANDING COMMITTEES

President Hernandez stated the Engineering/Equipment Committee will meet on September 6.

Director Evans stated the Public Awareness/Personnel/Policy Committee met on August 21 at which the Committee directed staff to continue with their research. The minutes of the meeting were provided in the Board agenda packet.

Director Martin stated the Finance/Investment Committee met on August 27 at which the Committee discussed rating agency criteria, the District's credit rating, and the District's receipt of EWA's restitution funds in the amount of \$637,000.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

None.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Sannella inquired on the status of the District's property adjacent to the District office. General Manager Pruum stated he will be meeting with a consultant next week.

Director Martin inquired on the status of the District's Coronado Hills property. General Manager Pruum stated the property will be discussed in conjunction with the strategic plan.

ADJOURNMENT

There being no further business to discuss, President Hernandez adjourned the Regular Meeting of the Board of Directors at the hour of 6:08 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, September 19, 2018, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

James Hernandez, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruum, Secretary
Board of Directors
Vallecitos Water District