

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, OCTOBER 17, 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.

President Hernandez led the pledge of allegiance.

Present: Director Elitharp
Director Martin
Director Sannella
Director Hernandez

Absent: Director Evans

Staff Present: General Manager Pruum
Legal Counsel Gilpin
Administrative Services Manager Emmanuel
District Engineer Gumpel
Operations & Maintenance Manager Pedrazzi
Capital Facilities Senior Engineer Hubbard
Development Services Senior Engineer Scholl
Public Information/Conservation Supervisor Robbins
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF OCTOBER 17, 2018

18-10-04 MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried unanimously, with Director Evans absent, to adopt the agenda for the Regular Board Meeting of October 17, 2018.

PRESENTATION

Public Information/Conservation Supervisor Chris Robbins presented a video, "Imagine A Day Without Water," created by staff as part of the national effort to raise awareness, educate communities and a call for action to invest in our nation's water infrastructure.

PUBLIC COMMENT

Dan Cannon, President of the Emerald Heights Homeowners Association (Association), addressed the Board regarding Tier 3 pricing the Association has been experiencing with several of their meters and the need for brush management and repairs to the easement road which the District utilizes. During a meeting with District staff on July 11, 2018, the Association Board requested the District's assistance in swapping four 2-inch irrigation meters with four 1½-inch meters to help reduce costs and avoid getting into Tier 3 pricing. He stated the request was denied. He further stated the Association

requested the District maintain and perform weed abatement on the easement road leading to the water tanks and the emergency access gate at the north end of Woodland Parkway. Mr. Cannon distributed a letter concerning these issues to the Board.

President Hernandez requested this issue be placed on the agenda for the November 7 Board meeting for further discussion.

George Van Hasselt, member of the public, commented that approximately one year ago the Board praised the Emerald Heights Homeowners Association for their conservation efforts. He stated it would be in the interest of good faith for the District to help them keep their water bill down and be genuinely concerned about serving the public. He stated the access road is included in the easement agreement and is mostly used by the District. The Association feels the District should share in the cost of maintenance and brush management of the easement road. He thanked the Board.

Mike Hunsaker, member of the public, addressed the Board stating he is the President of the Twin Oaks Valley Property Owners Association. He expressed his concern regarding the increasing amounts of water Metropolitan Water District is taking out of the Colorado River, and that Lake Powell and Lake Mead are being drained to keep the Lake Mead Reservoir level up to avoid national implications on shortages. He stated the average cost per acre foot of water in California is almost \$2,000 compared to \$40,000 per acre foot in Denver, an area prone to hyper development and drought. He believes these water shortages should be handled much more forthrightly and the protestations from various groups that we have enough water for 2019 is not enough. We should be looking ahead to 2020 and beyond. We do not have the water. Our average rain fall has decreased from 19 inches per year to 10 inches, and last year it was 3 inches. We must keep overdevelopment under control, manage water better, and have individual meters on every apartment. He praised Golden Door for their successful drive in getting 117,000 signatures in 20 days. He thanked the Board.

CONSENT CALENDAR

18-10-05 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, with Director Evans absent, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

A. Regular Board Meeting – October 3, 2018

1.2 Warrant List through October 17, 2018 - \$1,247,412.29

1.3 Financial Reports

- A. Water Meter Count – September 30, 2018
- B. Water Production/Sales Report – 2018/2019
- C. Per Capita Water Consumption – September 30, 2018
- D. Quarterly Financial Report – September 30, 2018
- E. Water Revenue and Expense Report – September 30, 2018
- F. Sewer Revenue and Expense Report – September 30, 2018
- G. Reserve Funds Activity – September 30, 2018
- H. Investment Report – September 30, 2018
- I. Legal Fees Summary – September 30, 2018

1.4 Operations & Maintenance Metrics Quarterly Report – September 30, 2018

ACTION ITEMS

APPROVAL OF AS-NEEDED ENGINEERING SERVICES AGREEMENT FOR V&A CONSULTING ENGINEERS

District Engineer Gumpel stated the District will be embarking in asset management which will include condition assessment of its existing pipes. Staff has selected V&A Consulting Engineers (V&A) for as-needed engineering services in this process as V&A is very experienced with emerging technologies such as in-pipe tools, specializes in corrosion engineering, and has worked with District staff during the past year on asset management strategies. The as-needed engineering services of V&A would be smaller task items to help develop a program in which staff can perform repeat assessments of the ductile iron and steel mains over the next several years.

Staff recommended the Board authorize General Manager Pruim or his designee to enter into an as-needed consultant services agreement with V&A Consulting Engineers.

General discussion took place regarding the District's approved engineering firms and the dollar threshold for the Request For Proposal process as it pertains to as-needed service agreements.

18-10-06 MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried unanimously, with Director Evans absent, to authorize General Manager Pruim or his designee to enter into an as-needed consultant services agreement with V&A Consulting Engineers.

DRAFT PROGRAM ENVIRONMENTAL IMPACT REPORT FOR THE 2018 WATER, WASTEWATER AND RECYCLED WATER MASTER PLAN

Development Services Senior Engineer Scholl stated staff is seeking the Board's approval for the circulation of the Draft Program Environmental Impact Report (PEIR) for public review. The PEIR assesses the environmental effects associated with the

District's 2018 Master Plan. Upon conclusion of the public review, a Board workshop will be scheduled to review the entire 2018 Master Plan environmental process.

General discussion took place.

Development Services Senior Engineer Scholl provided a presentation on the 2018 Master Plan Capital Improvement Program as follows:

- Final PEIR Process
- Master Plan Purpose & Goals
- Land Use
- Duty Factors
- Water Duty Factor Comparison with Past Master Plans
- Sewer Duty Factor Comparison with Past Master Plans
- Water and Wastewater Demand Projections
- 2018 Master Plan CIP Phasing
- Water and Wastewater Models
- 2018 Master Plan Water and Wastewater CIP
- CIP Cost Estimate Comparison
- CIP Costs per Phase – Current
- CEQA / PEIR Purpose
- PEIR Effects to be Analyzed
- Notice of Preparation
- Draft PEIR Public Review
- Previous Board Meetings
- Remaining Schedule

Question and answer took place during the presentation.

Staff recommended the Board approve initiation of the 45-day public review period for the Draft PEIR for the 2018 Water, Wastewater and Recycled Water Master Plan.

Mike Hunsaker, President of the Twin Oaks Valley Property Owners Association, addressed the Board stating his opinion that the Master Plan should still be called the 2014 Master Plan. Even though a portion has been updated, he believes the usage factors are very outdated and multi-family is not properly addressed because of the wide variability. SANDAG's figures and growth projections have been notoriously bad as it has been on its mass transit. Although they're required by SANDAG to be used for projections, using SANDAG's figures does not limit the District from making more realistic projections from there. He expressed his concerns about the calculation for multi-family and that it does not account for density bonuses, agricultural land use changes, and decreasing groundwater supplies. He stated all of these factors should be carefully considered. He thanked the Board.

- 18-10-07 MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried unanimously, with Director Evans absent, to approve initiation of the 45-day public review period for the Draft Program Environmental Impact Report.

AWARD OF PROFESSIONAL SERVICES AGREEMENT FOR THE GROUNDWATER BASIN STUDY

District Engineer Gumpel provided a brief history of what has taken place to date regarding the possibilities of using the San Marcos Groundwater Basin (Basin) as a new water resource for the District. On September 25, 2017 staff met with Woodward and Curran to discuss groundwater use alternatives and funding sources. Woodward and Curran proposed to evaluate three alternatives: 1) irrigation with groundwater for non-potable purposes with storage for blending with recycled water; 2) potable supply with construction of a groundwater desalter plant; and 3) groundwater basin recharge with advanced treated water from the Encina Water Pollution Control Facility. The original scope was pared down from mapping and determining the Basin's yield to reviewing and estimating the costs to develop each alternative as well as the legal and regulatory obstacles within the basin, funding sources, and estimating a cost per acre foot.

District Engineer Gumpel stated the award of a professional services agreement to Woodward and Curran was presented to the Board on December 6, 2017. The Board directed the item to the Engineering/Equipment Committee for further review and direction. The Committee recommended bringing the proposal for the revised scope to the Board for approval of a professional services agreement with Woodard and Curran in the amount of \$77,590.00 for evaluation of the San Marcos Groundwater Basin supply options.

General discussion took place regarding what information will be garnered from the study. District Engineer Gumpel clarified that the study will determine the cost, how much time would be necessary, and obstacles for each alternative.

- 18-10-08 MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried unanimously, with Director Evans absent, to award a professional services agreement to Woodard and Curran in the amount of \$77,590.00 for evaluation of the San Marcos Groundwater Basin supply options.

SOUTH LAKE LEASE AGREEMENT

General Manager Pruim facilitated a presentation on the history of South Lake and the South Lake Lease Agreement (Agreement) between the District and the City of San Marcos (City) as follows:

- South Lake Reservoir
- South Lake Lease Agreement
- Recreational Improvements
- Maintenance, Cost & Liability
- Water Storage in Reservoir
- Requested Direction
- Recommendations

General Manager Pruim stated the City has requested a two-year extension to the provision in the Agreement pertaining to the construction of recreational improvements, giving the City until December 31, 2020 to complete those improvements. The City has assured the District that adequate funding has been set aside and believes the two-year extension would be sufficient time for the design, permitting process and construction of the amenities.

General Manager Pruim recommended the Board approve the City's request to grant the additional two years for the completion of the recreational improvements and suggested clarification of the language in some areas of the Agreement to include:

- The cost sharing language needs clarification as to who is responsible for what. The District should maintain its dam and facilities regardless if there are recreational amenities or not. The City should be responsible for the cost, liability and maintenance activities associated with maintaining the recreational amenities as necessary for public use.
- The District should be responsible for control of water surface elevations in consultation with the City, eliminating any language that gives the City direct control. Also of concern is not letting the water surface elevation fall below 790 feet MSL.
- Incorporate any other provisions as identified by Legal Counsel.

General discussion took place during which questions were raised about the need for the District to maintain dam functionality; how much water the dam can hold; is it necessary or is it excess property; what does it cost to maintain the dam; who should be responsible for the cost of the dam maintenance; what amenities are being proposed; and will boats be allowed. President Hernandez stated he would be agreeable to the extension of the Agreement providing the City forms a task force made up of District and City officials and staff to ensure the project is completed.

Legal Counsel Gilpin recommended the Board give staff the authority to negotiate with the City on potential changes to the terms of the Agreement in exchange for granting the City the two-year extension and bring it back to the Board at a meeting in December for further consideration. The consensus of the Board was to follow Legal Counsel Gilpin's recommendation to authorize staff to negotiate terms of the Agreement.

Mike Hunsaker, member of the public, addressed the Board recollecting the City's previous plan for South Lake using federal money to help build it with a federal requirement that they couldn't do anything that would affect or destroy the trail system. There was also talk of storing reclaimed water at South Lake and Lake San Marcos. He is in favor of having flexibility. One of the factors is that the City cannot accept funding which will preclude putting in an expansion of the lake. Sooner or later we're going to have to start looking at saving storm water, more reclamation and storage. That was where South Lake was offered as an alternative. He does not want Lake San Marcos, which will be a real mess to clean up, to be used as a storage device. He thanked the Board.

REPORTS

GENERAL MANAGER

General Manager Pruim reported the following:

- He toured Padre Dam Municipal Water District's advanced water purification plant on October 12. The plant is a pilot project constructed to demonstrate the feasibility of producing water that would meet the regulations for indirect potable reuse. The ultimate plan is to treat wastewater to recycled water, then to a higher advanced water level, and then inject the water into a lake. From there it would be taken out of the lake and treated to make it drinking water.
- The ACWA Region 10 event, "Removing Barriers to Innovation in Water" is scheduled for Thursday, October 18.
- Metropolitan Water District is changing their water blend from 35% State Water Project water and 65% Colorado River water to 25% State Water Project Water and 75% Colorado River water. The changeover will take approximately one month.
- Metropolitan Water District is treating Lake Skinner for quagga mussels which can affect water quality as well as water operations. The treatment will not affect the quality of the District's water.

DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin stated Governor Brown has signed AB 747.

SAN DIEGO COUNTY WATER AUTHORITY

None.

ENCINA WASTEWATER AUTHORITY

President Hernandez reported on his attendance to the Capital Improvement Committee meeting this morning at which discussion took place regarding a liner project on the primary line. The Committee will be receiving a status report on the South 40 in the next month or two.

Director Elitharp reported on his attendance to the Policy and Finance Committee on October 9 at which the Committee reviewed a resolution amending the human resources policy manual and a report of compensation and reimbursements for Fiscal Year 2018.

STANDING COMMITTEES

None.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Sannella reported on his attendance to the Council of Water Utilities (COWU) meeting on October 16.

Directors Martin and Elitharp reported on their attendance to the COWU meeting and the San Diego North Economic Development Council's North County Water Symposium.

President Hernandez reported on his attendance to the COWU meeting.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

President Hernandez requested a critique of the Boardroom audiovisual system be placed on the agenda for the next Board meeting.

Directors Martin and Sannella requested staff provide the Board with information regarding the Emerald Heights Homeowners Association issue to be discussed at the November 7 Board meeting.

ADJOURNMENT

There being no further business to discuss, President Hernandez adjourned the Regular Meeting of the Board of Directors at the hour of 6:53 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, November 7, 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 Pruim, Secretary
Board of Directors
Vallecitos Water District