

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, NOVEMBER 21, 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 Evans
Director Martin
Director Sannella
Director Hernandez

Staff Present: General Manager Pruiam
Legal Counsel Norvell
District Engineer Gumpel
Finance Manager Owen
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF NOVEMBER 21, 2018

18-11-11 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, to adopt the agenda for the Regular Board Meeting of November 21, 2018.

PUBLIC COMMENT

Mike Hunsaker, member of the public, addressed the Board regarding a meeting he attended in San Diego on new development that is occurring in the city of San Diego. It was a small community group meeting with over 200 citizens in attendance. The citizens were protesting and extremely angry at the amount of over development and the manner in which it is going in. The problems we face are not as apparent to the citizens but are coming up already in schools and will come up with water, particularly since our Colorado River water is threatened. He believes we should re-examine this issue which we are doing very carefully in our EIR. He thanked the Board.

CONSENT CALENDAR

18-11-12 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. Finance/Investment Committee Meeting – October 30, 2018
- B. Closed Session Board Meeting – November 7, 2018
- C. Regular Board Meeting – November 7, 2018

1.2 Warrant List through November 21, 2018 - \$1,068,304.23

1.3 Financial Reports

- A. Water Meter Count – October 31, 2018
- B. Water Production/Sales Report – 2018/2019
- C. Per Capita Water Consumption – October 31, 2018
- D. Water Revenue and Expense Report – October 31, 2018
- E. Sewer Revenue and Expense Report – October 31, 2018
- F. Reserve Funds Activity – October 31, 2018
- G. Investment Report – October 31, 2018

Mike Hunsaker, member of the public, addressed the Board stating he found the committee meeting on finance very instructive and interesting that the consultant was well aware of questions about rate inversion and fairly optimistic on financial prospects but duly cautious. There is more and more growing evidence of the coming recession in 2020 along with the probable loss of some of our water rights in January 2020 according to the Bureau of Reclamation's estimation. He is particularly concerned about and interested in the observation that the state has decided to remove a lot of safeguards on ratings. There is increasing support for corporate investment. Almost 43% of our investment portfolio is not rated. Since we're looking at a possible problem in less than two years, the maturities of investments over two years is becoming completely suspect. He believes the non-rated investments should be carefully watched, particularly in the automotive industry. He thanked the Board.

ACTION ITEM

TEMPORARY EXTENSION OF EMPLOYMENT AGREEMENT BETWEEN VALLECITOS WATER DISTRICT AND GENERAL MANAGER

General Manager Pruiim stated that today is his two-year anniversary with the District as well as the last day of his employment agreement. Negotiations for a new agreement are currently underway and are anticipated to be completed for the Board's consideration at the December 5 Board meeting. In the meantime, the current agreement needs to be extended.

General Manager Pruiim recommended the current agreement be extended to December 19, 2018 as referenced in the staff report and not January 16, 2019 as stated in the agreement extension that was provided to the Board.

Legal Counsel Norvell stated for the record pursuant to the Brown Act, if the

employment agreement is extended, there would be no change in compensation or benefits for the period of the extension; those items would continue as in the current agreement.

18-11-13 MOTION WAS MADE by Director Sannella, seconded by Director Evans, and carried unanimously, to approve the extension of the employment agreement with the ending date of the agreement changed to December 19, 2018.

REPORTS

GENERAL MANAGER

None.

DISTRICT LEGAL COUNSEL

None.

SAN DIEGO COUNTY WATER AUTHORITY

None.

ENCINA WASTEWATER AUTHORITY

President Hernandez stated the Capital Improvement Committee will meet on December 5.

Director Elitharp stated the Policy and Finance Committee will meet on December 4.

STANDING COMMITTEES

Director Martin stated the Finance/Investment Committee met on November 19 at which the Committee heard a presentation on the draft Fiscal Year 2017/2018 Financial Statements.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Directors Martin, Sannella and Hernandez reported on their attendance to the California Special Districts Association (CSDA) San Diego Chapter quarterly dinner meeting.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

President Hernandez inquired when the Board will be receiving a report on the hillside property adjacent to the District headquarters. General Manager Pruim stated it will be addressed at the December 5 Closed Session Board meeting.

Director Martin stated he will be contacting each Board member regarding appointments for 2019.

ADJOURNMENT

There being no further business to discuss, President Hernandez adjourned the Regular Meeting of the Board of Directors at the hour of 5:15 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, December 5, 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