

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, DECEMBER 19, 2018, AT 5:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Martin called the Regular meeting to order at the hour of 5:06 p.m.

Director Hernandez led the pledge of allegiance.

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

Staff Present: General Manager Pruim
Legal Counsel Gilpin
Administrative Services Manager Emmanuel
District Engineer Gumpel
Finance Manager Owen
Operations & Maintenance Manager Pedrazzi
Capital Facilities Senior Engineer Hubbard
Development Services Senior Engineer Scholl
Accounting Supervisor Glenn
Information Technology Supervisor Labarrere
Administrative Secretary Johnson

ADOPT AGENDA FOR THE REGULAR MEETING OF DECEMBER 19, 2018

President Martin stated that staff requested the Board address Action Item 2.3 before Action Item 2.1.

18-12-12 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, to adopt the agenda for the Regular Board Meeting of December 19, 2018 as amended.

PUBLIC COMMENT

Mike Hunsaker, member of the public and President of the Twin Oaks Valley Property Owners Association, addressed the Board stating his concerns that the health of San Diego County's entire water system is dependent on the Colorado River. The Bureau of Reclamation which controls the Colorado River water system has just issued its latest two-year plan for operating the lower basin, projecting that it will call a water shortage emergency on January 1, 2020. If the water level in Lake Mead drops below 1,075 feet on January 1 of each year a water emergency shortage declaration is made. Under the current rules

pertaining to shortages, if you have water stored for reserves in Lake Mead or anywhere in the basin, you lose those rights. Metropolitan Water District has 500,000 acre feet in storage. It stands to lose it if an emergency is called. Metropolitan also has 100,000 acre feet at San Vicente which it will not lose. He recommended the District buy water at the current rate to avoid a real catastrophe on January 1, 2020. He thanked the Board.

CONSENT CALENDAR

18-12-13 MOTION WAS MADE by Director Hernandez, seconded by Director Evans, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Closed Session Board Meeting – December 5, 2018
- B. Regular Board Meeting – December 5, 2018
- C. Public Awareness/Personnel/Policy Committee Meeting – December 10, 2018
- D. Finance/Investment Committee Meeting – December 11, 2018

1.2 Warrant List through December 19, 2018 - \$2,296,612.97

1.3 Financial Reports

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

1.4 Approval of Construction Agreement for Firestine Residence, 862 Rock Springs Road, APN: 226-012-46

1.5 Approval of Construction Agreement for Folia and Omeli Single Family Residences, APN: 222-360-35 & 222-360-36

1.6 Approval of Construction Agreement for Montiel 6-Lot Subdivision, APN: 226-111-53, 226-092-66 & 226-092-67

1.7 Approval of Temporary Off-Site Water and Sewer Service Agreements for APN: 226-092-66

1.8 Contract Amendment #4 to Kennedy/Jenks Consultants Incorporated for the San Marcos Interceptor Project, Phase 2

1.9 Retitle Accountant Position to Senior Accountant

Mike Hunsaker, member of the public, addressed the Board regarding the following items:

- 1.1C – It was noted in the minutes of the Public Awareness/Personnel/Policy Committee pertaining to bill adjustments that past practice has always been to charge for the water used. He believes fines for excessive water use during periods of shortage should be factored in. He further stated General Manager Pruum mentioned that new developments are required to submeter, but they don't report water consumption. That makes large meters which are relatively insensitive to leakage the worse form of waste, invisible to VWD to detect and to have corrected. He wanted to emphasize that Director Evans noted the need to eliminate confusion but there still needs to be sacrifices in respect to efficiency, lack of water and shortages.
- 1.3C – He believes the Per Capita Water Consumption Report needs to include a pie chart. In 2007 there was a pie chart showing multi-family versus single-family dwelling use. Do large meters used for high density development show their fair share of what the total water consumption is? The use of single-family dwellings is shown but not the total amount of multi-family dwellings.
- 1.7 – He asked if there was any pre-existing water capacity on the property.

Development Services Senior Engineer Scholl stated there was existing water and sewer to the property.

ACTION ITEMS

CONSIDERATION OF ACWA JPIA REFUND CHECK FOR GAINSHARING

General Manager Pruum stated the Board approved revisions to the Employee Recognition Program at the November 7, 2018 Board meeting. Revisions included the creation of a Gainsharing Incentive Plan as a new Organizational Achievement Award to provide eligible employees with monetary awards for cost saving measures they directly participated in that resulted in gainsharing funds.

Administrative Services Manager Emmanuel stated gainsharing is only available when the District receives a refund check from ACWA JPIA and the Board designates the funds as gainsharing. ACWA JPIA refund checks are not received on a regular basis and are subject to ACWA JPIA's eligibility requirements relating to the District's claims history. Designating future refunds as gainsharing will require approval as a separate action by the Board.

Administrative Services Manager Emmanuel further stated the District received a refund check from ACWA JPIA in February 2018 in the amount of \$145,176.29. Since that time, the Employee Recognition Program was revised to include gainsharing. The 2018 ACWA JPIA refund check was presented to the Board for its consideration of whether to designate a

portion of it as gainsharing funds to be awarded to eligible District employees as recognition for their outstanding efforts in reducing the District's insurance costs. If any portion of the refund is designated as gainsharing funds, the funds would be divided in an amount determined by the Board, with the employees' share paid as lump sum bonuses (taxable compensation and not "compensation earnable" for CalPERS retirement purposes).

Staff recommended, should the Board desire to act on this item, the Board designate a specific amount of the ACWA JPIA refund to be gainsharing funds, determine the amount of funds to be divided between eligible employees, and approve Organizational Achievement Awards for all eligible employees with the gainsharing funds paid as lump-sum bonuses.

President Martin suggested designating the ACWA JPIA refund as gainsharing and awarding \$1,000 to each employee with the balance going into the general fund.

General discussion took place during which it was clarified that the 106 eligible employees would be responsible for paying taxes on the \$1,000 lump sum. Staff will confirm that the District will not incur costs above the total amount of the refund.

18-12-14 MOTION WAS MADE by Director Evans, seconded by Director Hernandez, and carried unanimously, to designate the ACWA JPIA refund as gainshare funds and award each employee \$1,000.

HILLSIDE PROPERTY AD HOC COMMITTEE CONSIDERATION

General Manager Pruim stated the District owns approximately 32.7 acres of land adjacent to the District headquarters and that the Board has expressed an interest in marketing the property. He suggested the Board form an Ad Hoc Committee to oversee the development of this project and appoint two Board members to serve on the Committee.

President Martin recommended Director Hernandez be appointed to the Ad Hoc Committee as well as himself.

General discussion took place during which Legal Counsel Gilpin noted that it is not necessary to agendaize ad hoc meetings nor do they need to be noticed.

18-12-15 MOTION WAS MADE by President Martin, seconded by Director Evans, and carried unanimously, to appointment Director Hernandez and President Martin to the Ad Hoc Committee.

CALL FOR NOMINATIONS TO THE LOCAL AGENCY FORMATION COMMISSION

President Martin stated nominations are being solicited for two special district members to serve on the Local Agency Formation Commission.

General discussion took place.

The Board took no action.

REPORTS

GENERAL MANAGER

None.

DISTRICT LEGAL COUNSEL

None.

SAN DIEGO COUNTY WATER AUTHORITY

None.

ENCINA WASTEWATER AUTHORITY

Director Hernandez stated the Capital Improvement Committee has not met since the last Board meeting.

Director Elitharp stated the Policy and Finance Committee has not met since the last Board meeting.

STANDING COMMITTEES

Director Evans referred to the minutes of the December 10 Public Awareness/Personnel/Policy Committee meeting.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Directors Elitharp, Martin, Sannella and Hernandez reported on their attendance to the San Diego North Economic Development Council 2018 North County Excellence in Economic Development Awards Luncheon on December 5.

Director Evans reported on her attendance to a legislative roundtable with Assemblywoman Marie Waldron at the San Diego County Water Authority on December 17.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

None.

ADJOURNMENT

There being no further business to discuss, President Martin adjourned the Regular Meeting of the Board of Directors at the hour of 5:41 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, January 16, 2019, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

Hal J. Martin, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruij, Secretary
Board of Directors
Vallecitos Water District