

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, MARCH 4, 2020, AT 5:00 P.M.  
AT THE DISTRICT OFFICE  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT EVANS

PLEDGE OF ALLEGIANCE

ROLL CALL

In the case of an emergency, items may be added to the Agenda by a majority vote of the Board of Directors. An emergency is defined as a work stoppage; a crippling disaster; or other activity which severely imperils public health, safety, or both. Also, items which arise after the posting of the Agenda may be added by a two-thirds vote of the Board of Directors.

ADOPT AGENDA FOR THE REGULAR MEETING OF MARCH 4, 2020

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 Executive 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.

NOTICE TO THE PUBLIC

All matters listed under the Consent Calendar will be voted upon 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.

CONSENT CALENDAR

1.1 APPROVAL OF MINUTES (pp. 4-5)

A. CLOSED SESSION BOARD MEETING – FEBRUARY 26, 2020

*Approved minutes become a permanent public record of the District.*

**Recommendation: Approve Minutes**

- 1.2 WARRANT LIST THROUGH MARCH 4, 2020 – \$971,661.10 (pp. 6-7)

**Recommendation: Approve Warrant List**

- 1.3 APPROVAL OF CONSTRUCTION AGREEMENT FOR SUNSET RIDGE, APN 226-280-19 (RAECORTE DEVELOPMENT, LLC.) (pp. 8-24)

*The project is located east of Bennett Avenue and north of Rock Springs Road.*

**Recommendation: Approve Construction Agreement**

\*\*\*\*\*END OF CONSENT CALENDAR\*\*\*\*\*

ACTION ITEMS

- 2.1 DISCUSSION REGARDING CERTAIN PROPERTY DESIGNATED AS “NORDAHL 15-LOT SUBDIVISION,” APN 226-290-01 (REZA SAMANDARI AND SAHAR NAEEMI) (pp. 25-28)

*The property is located on the west side of Nordahl Road, north of Rock Springs Road and south of El Norte Parkway.*

**Recommendation: For Board Discussion**

- 2.2 ADJUSTMENT TO GENERAL MANAGER’S COMPENSATION (pp. 29)

*The First Amended Employment Agreement requires the Board of Directors to conduct an annual evaluation to consider the General Manager’s performance and compensation.*

**Recommendation: Approve a one-time lump sum bonus for the General Manager**

\*\*\*\*\*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  
- *Capital Improvement Committee*  
- *Policy and Finance Committee*

3.5 STANDING COMMITTEES

3.6 DIRECTORS REPORTS ON MEETINGS/CONFERENCES/SEMINARS  
ATTENDED

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

OTHER BUSINESS

4.1 MEETINGS

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

5.1 DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

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

6.1 ADJOURNMENT

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

If you have any disability which would require accommodation in order to enable you to participate in this meeting, please call the Executive Secretary at 760.744.0460 ext. 264 at least 48 hours prior to the meeting.

Audio and video recordings of all Board meetings are available to the public at the District website [www.vwd.org](http://www.vwd.org)

AFFIDAVIT OF POSTING

I, Diane Posvar, Executive Secretary of the Vallecitos Water District, hereby certify that I caused the posting of this Agenda in the outside display case at the District office, 201 Vallecitos de Oro, San Marcos, California by 5:00 p.m., Friday, February 28, 2020.

\_\_\_\_\_  
Diane Posvar

MINUTES OF A CLOSED SESSION MEETING  
OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, FEBRUARY 26, 2020, AT 4:00 PM AT THE DISTRICT OFFICE,  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

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

Director Sannella led the pledge of allegiance.

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

Staff Present: General Manager Pruiam  
Legal Counsel Gilpin  
Executive Secretary Posvar

ADOPT AGENDA FOR THE CLOSED SESSION MEETING OF FEBRUARY 26, 2020

20-02-07 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, to adopt the agenda for the Closed Session Meeting of February 26, 2020.

PUBLIC COMMENT

None.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of litigation pursuant to paragraph (4) subdivision (d) of Section 54956.9: One potential case

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

(Per Government Code Section 54957) – Title: General Manager

20-02-08 MOTION WAS MADE by Director Sannella, seconded by Director Martin, and carried unanimously, to move into Closed Session pursuant to Government Code Sections 54956.9 and 54957.

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at 4:58 p.m. There was no reportable action from the Closed Session Meeting.

ADJOURNMENT

There being no further business to discuss, President Evans adjourned the Closed Session Meeting of the Board of Directors at the hour of 4:59 p.m.

A Special Meeting of the Vallecitos Water District Board of Directors has been scheduled for Thursday, February 27, 2020 at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

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Betty D. Evans, President  
Board of Directors  
Vallecitos Water District

ATTEST:

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Glenn Pruiam, Secretary  
Board of Directors  
Vallecitos Water District

VALLECITOS WATER DISTRICT  
WARRANTS LIST  
March 4, 2020

PAYEE	DESCRIPTION	CHECK#	AMOUNT
CHECKS			
Garnishments	Payroll Garnishments	118486 through	-
ACWA/Joint Powers Insurance	Medical Insurance - Mar	118489	215,876.26
Advanced Imaging Solutions, Inc.	Copier Lease - Feb	118490	2,084.97
Airgas USA LLC	Cylinder Rental	118491	125.92
Ambius	Plant Maintenance - Feb	118492	263.00
AT&T	Internet Svc - Feb	118493	89.50
AT&T	Phone Svc SCADA - Feb	118494	377.55
AT&T	Phone Svcs - Jan	118495	2,824.27
Audax, Inc	Long Range Reader - Back Gate Main Offices Prj 20201-1	118496	1,388.56
Backflow Solutions, Inc.	Backflow Tests Jan - Qty 222	118497	3,318.90
Biotechnical Services Inc	Annual Scales & Autoclave Calibrations	118498	610.00
Boot Barn	Safety Boots	118499	150.00
Boot World Inc	Safety Boots	118500	286.37
CA Dept of Forestry/Fire Protection	Crew Work - Aug	118501	2,133.51
California Special Dist Assn.	Meeting 2-20-20 Sannella	118502	30.00
Calolympic Safety	Hardware Supplies	118503	285.30
Cat5eCableGuy.com	Hardware Supplies Prj 20201-22	118504	128.50
Core & Main LP	Hardware Supplies	118505	269.38
Core Logic Information Solutions Inc	Real Quest Svcs Jan - Engineering Maps	118506	212.18
Corinthian Title Company, Inc.	Preliminary Title Report - Mountain Bell Tank Site	118507	350.00
Corodata Media Storage Inc	Back Up Storage Tape - Jan	118508	209.42
Council of Water Utilities	Meeting 2-18-20 Elitharp	118509	40.00
County of San Diego	Recording Fees - Jan	118510	128.32
Craig Elitharp	CASA Conference 1-20-20	118511	1,018.47
Doane & Hartwig Water Systems Inc	Svcs - Chlorine Analyzer	118512	362.10
Dell Computers	Scada Machines 3 - MRF	118513	4,436.22
Electrical Sales Inc	UPS Power Supply, Circuit Breaker, Supplies For SCADA Upgrades Prj 20201-4	118514	1,480.87
Emcor Service	HVAC Preventative Maintenance	118515	423.00
Fleet Pride	Hardware Supplies Prj 20201-33	118516	190.86
Franchise Tax Board	Income Tax Withholding	118517	37.50
Glenn Pruim	SDCWA Meeting 1-14-20, Settlement Conference w/BBK 2-14-20	118518	108.56
Harrington Industrial	2 Flow Meters - MRF	118519	1,417.89
Hawthorne Machinery Co.	Hardware Supplies	118520	373.38
Industrial Electric Machinery	Pump Motor - MRF	118521	1,442.56
Infrastructure Engr Corp	High Point Pipeline Assessment Prj 20191-544	118522	683.00
Intellicopt	Skate Stoppers - 125	118523	6,093.19
Interstate Batteries	PLC Batteries - 36, Batteries 2 Veh 190 & 232	118524	986.94
Inventive Resources Inc.	Filters 2 - Odor Scrubbers	118525	359.25
JCI Jones Chemicals Inc	Chlorine	118526	2,043.21
Lawnmowers Plus Inc	Pruner & Lawnmower Supplies	118527	797.87
Left Coast Window Cleaning	Cleaning Svcs MRF & Main Office	118528	853.13
Lingualinx Language Solutions, Inc.	Translation Svcs VWD Disconnection Policy Prj 20201-40	118529	534.52
Lloyd Pest Control	Pest Control - Jan	118530	740.00
Matheson Tri-Gas Inc	Cylinder Rental	118531	61.57
Mitchell Repair Information Co LLC	Annual Repair Manuals Renewal	118532	2,369.69
North County Auto Parts	Fleet Supplies - Jan	118533	1,779.57
Olivenhain MWD	Treated Water - Jan	118534	41,961.00
Patriot Portable Restroom Inc	Portable Restroom Rental - Jan & Feb	118535	513.22
Penco, Inc.	Calcium Nitrate	118536	10,183.02
Raftelis Financial Consultants Inc	Water, Sewer & Reclaimed - Cost of Service Study	118537	24,704.57
Richard W. Gittings	Hillside Development - Jan	118538	1,400.00
SDG&E	Power - Jan	118539	39,701.64
SCADA Integrations	Ignition Upgrade Contractor Support Prj 20201-4	118540	1,190.00
Spatial Wave Inc	Software Installation - Data Migration & Validation	118541	960.00
State Water Resources Control	Water Distribution Cert Renewal - E Pedrazzi	118542	105.00
Steel-Toe-Shoes.com	Safety Boots	118543	172.39
Univar USA Inc	Sodium Hypo Liquichlor, Sodium Bisulfite, Caustic Soda	118544	7,623.59
Universal Manufacturing Corp	Antenna South Lake Pump Station Prj 20201-516	118545	1,580.00
UPS	Shipping Svcs - Jan	118546	89.11
Waxie Sanitary Supply	Cleaning Supplies	118547	2,633.87
Weck Analytical Environmental Services, Inc.	Water Sampling	118548	1,160.00
West Coast Industrial Coatings Inc. (WCIC)	Schoolhouse Tank Prj 20181-3	118549	32,309.74
Alicia Yerman	CWEA Awards Banquet 1-25-20	118550	27.95
Adkins Bee Removal	Bee Removal	118551	112.50
AH Water Inc	Odor & Corrosion Control Training	118552	1,500.00
AIS Specialty Products, Inc.	Copier Lease Nov - Jan	118553	42.86
Aqua-Metric Sales Co	Mini Meter Readers - 2	118554	1,123.48
Armorcast Products Co	Meter Boxes & Covers 328	118555	13,515.75

VALLECITOS WATER DISTRICT  
WARRANTS LIST  
March 4, 2020

PAYEE	DESCRIPTION	CHECK#	AMOUNT
CDW Government Inc	Wireless Network UPS Prj 20201-20, VISIO Licensing	118556	1,879.16
Craneworks Southwest, Inc	Auto Crane Repair Veh 228	118557	340.70
Doane & Hartwig Water Systems Inc	Odor Scrubber 1 Pump - MRF	118558	852.01
Gallade Chemical Inc.	Muriatic Acid	118559	265.57
Grainger Inc	Air Compressor, Rock Picks 4, Eye Wash Bottles, Hardware Supplies	118560	2,014.63
Granetto's Farm Garden Supply	Landscape Chemicals	118561	1,288.26
Huntington & Associates, Inc.	Pump Control Valve Rebuild Kits 3 - PSDS	118562	1,240.59
Olivenhain MWD	RMC Grant Admin Costs	118563	2,015.95
Pacific Pipeline Supply	Weld Flanges 4, Pressure Regulator, Gate Valve Prj 20161-4, Hardware Supplies	118564	3,707.29
Recycled Aggregate Materials Co Inc	Concrete Recycling	118565	200.00
Southland Paving, Inc.	Lawrence Welk Waterline Replacement Prj 20201-8	118566	13,502.62
T.S. Industrial Supply	Fire Hoses 10, Hardware Supplies	118567	833.03
Trussell Technologies Inc	Biological Selector Prj 20191-2	118568	9,165.00
Unifirst Corporation	Uniform Delivery	118569	1,759.02
Vista Irrigation District	Water Distribution Training - L Kirby, J Childs, M Preston	118570	525.00
Vortex Industries Inc	Preventative Maintenance - Front Doors - MRF	118571	2,005.52
Win-911 Software	SCADA Computers 2 - MRF	118572	3,569.59
Total Disbursements (84 Checks)			487,548.89
 <b>WIRES</b>			
Public Employees Retirement System	Retirement Contribution - February 26, 2020 Payroll	Wire	74,516.46
 <b>PAYROLL</b>			
Total direct deposits		Wire	241,896.42
VWD Employee Association		118846	572.00
Payroll & Garnishments	118487 through	118488	1,001.06
IRS	Federal payroll tax deposits	Wire	97,393.12
Employment Development Department	California payroll tax deposit	Wire	18,518.72
CalPERS	Deferred compensation withheld	Wire	28,418.34
VOYA	Deferred compensation withheld	Wire	8,416.46
Total February 26, 2020 Payroll Disbursements			396,216.12
Total direct deposits		Wire	7,799.08
IRS	Federal payroll tax deposits	Wire	4,635.96
Employment Development Department	California payroll tax deposit	Wire	944.59
Special Payroll Disbursements (i.e., final checks, accrual payouts, etc.)			13,379.63
Total Payroll Disbursements			409,595.75
<b>TOTAL DISBURSEMENTS</b>			971,661.10

**DATE: MARCH 4, 2020**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: APPROVAL OF CONSTRUCTION AGREEMENT FOR SUNSET RIDGE**  
**APN 226-280-19 (RAECORTE DEVELOPMENT, LLC.)**

**BACKGROUND:**

Raecorte Development, LLC, owner of the project, has completed the plan check process with the District. The project is located east of Bennett Avenue and north of Rock Springs Road. The project was originally brought to the Board and was approved for construction of a 9-lot project on November 17, 2004. The previous project was reorganized and is now proposed as a 14-lot subdivision.

**DISCUSSION:**

A Construction Agreement is typically entered into between a developer and the District to ensure that the required public facilities are constructed to support the demands of the development.

The project will construct approximately 630 feet of 8-inch diameter PVC water main and 485 feet of 8-inch diameter PVC sewer main.

Upon completion of the water and sewer facilities, water and sewer service will be available to 14 single family dwelling units.

All engineering fees, inspection deposits, water and wastewater capital facility fees have been paid prior to Board approval of the Construction Agreement. Primo Builders, Inc. had purchased wastewater and water capacity in 2004 for the original 9 lots. Raecorte Development, LLC. paid \$131,544 in 2019 for the additional five lots.

The owner has submitted standard surety bonds to guarantee completion of the project. The following bond amounts have been reviewed and approved by staff:

Labor and Materials	\$275,984
Faithful Performance	\$275,984

**FISCAL IMPACT:**

None. Future water and sewer revenues will offset costs of service.

**RECOMMENDATION:**

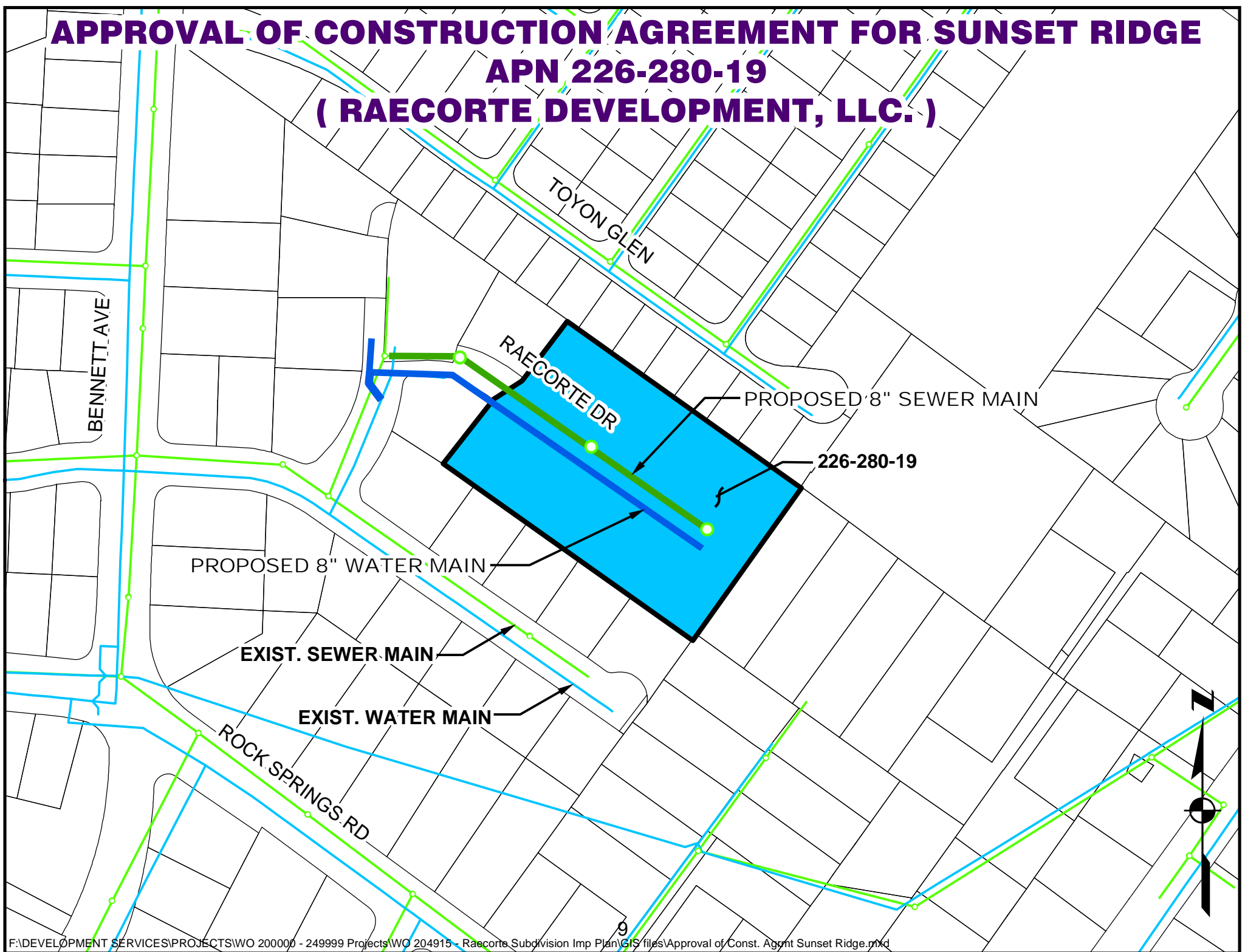
Approve the construction agreement for Sunset Ridge subdivision.

**ATTACHMENTS:**

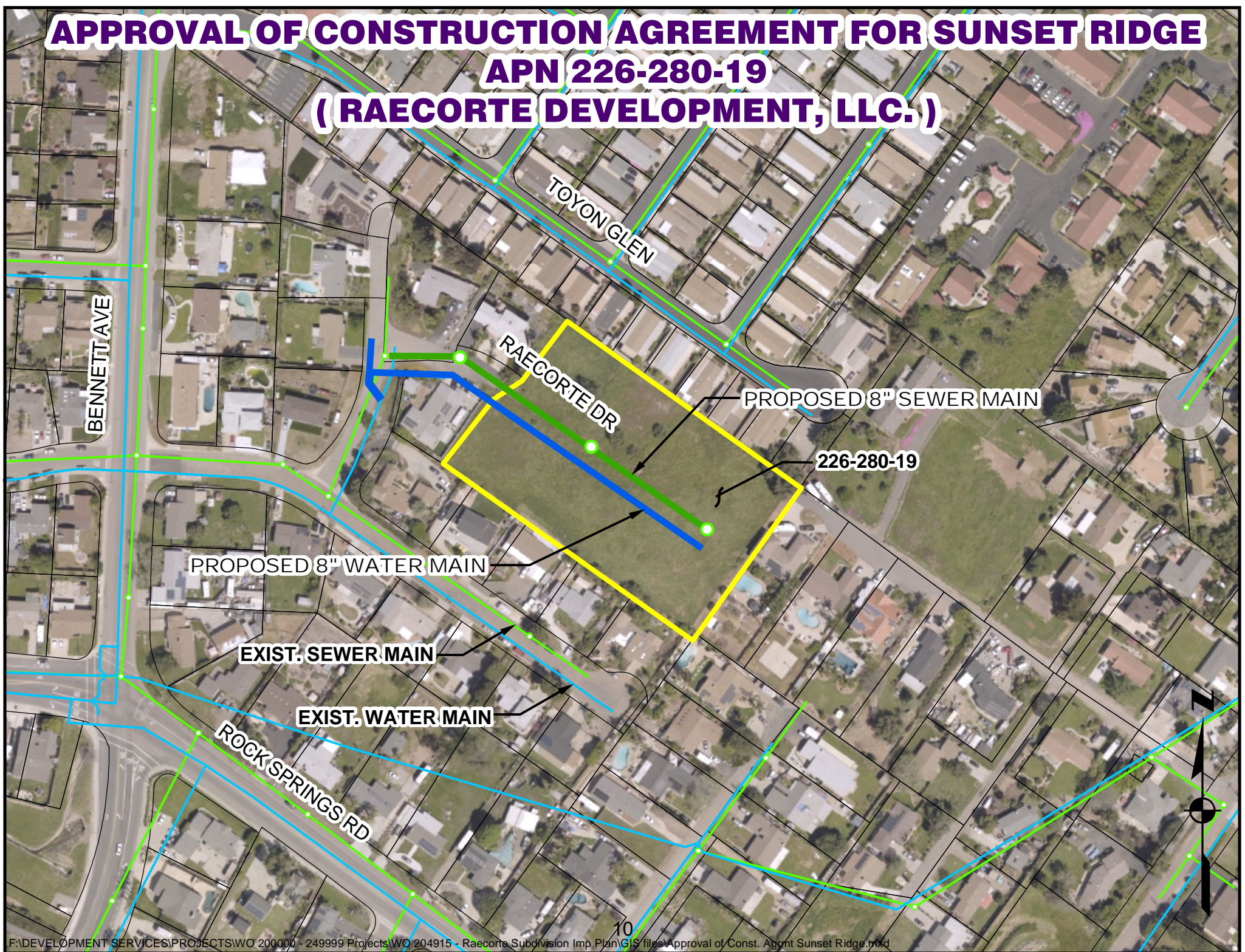
2 Map Exhibits – 1 Plat Map & 1 Aerial  
Construction Agreement



# APPROVAL OF CONSTRUCTION AGREEMENT FOR SUNSET RIDGE APN 226-280-19 ( RAECORTE DEVELOPMENT, LLC. )



# APPROVAL OF CONSTRUCTION AGREEMENT FOR SUNSET RIDGE APN 226-280-19 ( RAECORTE DEVELOPMENT, LLC. )



**AGREEMENT FOR CONSTRUCTION OF FACILITIES TO BE  
DEDICATED TO THE VALLECITOS WATER DISTRICT**

THIS AGREEMENT is entered into by and between VALLECITOS WATER DISTRICT (“DISTRICT”), a County Water District organized and operating pursuant to the County Water District Law, California Water Code §§ 30000 et seq., and **RAECORTE DEVELOPMENT, LLC.** (“DEVELOPER”), a California Limited Liability Corporation.

**RECITALS**

1. DEVELOPER desires to improve certain real property which lies within the boundaries of the DISTRICT consisting of approximately **2.59** acres commonly described as Tax Assessor's Parcel Nos. **226-280-19** (“PROJECT”).

2. DEVELOPER has requested that DISTRICT provide water and/or sewer service to parts of the PROJECT upon payment of applicable fees, construction and installation by DEVELOPER of the water and/or sewer facilities (“FACILITIES”) necessary to serve the PROJECT and acceptance of the FACILITIES by the DISTRICT.

3. DEVELOPER is required to submit plans and specifications for construction of the FACILITIES for review and approval by DISTRICT. The plans and specifications have been prepared by **SAN DIEGUITO ENGINEERING, INC.** and are identified as **SUNSET RIDGE – TR 5269R RAECORTE PLACE** DEVELOPER shall construct the FACILITIES pursuant to the approved plans and specifications which shall include DISTRICT's standard specifications and applicable special provisions. DEVELOPER shall comply with all terms of this Agreement. All work covered by this Agreement shall be completed on or before \_\_\_\_\_.

In the event work is not completed by that date, this AGREEMENT shall terminate unless DEVELOPER obtains a written extension from DISTRICT.

## COVENANTS

**4. CONDITIONS PRECEDENT TO EXECUTION OF AGREEMENT.** Each of the following items is an express condition precedent to the obligation of the DISTRICT to execute this Agreement:

**4.1 FEES AND CHARGES.** DEVELOPER shall pay all fees and charges due as established by the DISTRICT in its discretion from time to time. All Capital Facility and Connection fees are non-refundable.

**4.2 ENVIRONMENTAL REVIEW.** DEVELOPER shall provide the DISTRICT with all environmental documents previously utilized to obtain approvals for the PROJECT. In the event that the DISTRICT determines additional environmental review is necessary, all fees and costs to prepare this additional environmental review shall be borne solely by the DEVELOPER.

**4.3 APPROVED PLANS AND SPECIFICATIONS.** DEVELOPER shall prepare and submit to the DISTRICT a set of plans and specifications for the FACILITIES. The plans and specifications for the FACILITIES include DISTRICT's standard specifications and applicable special provisions and are incorporated herein by reference as if set forth in full. Approval of these plans and specifications by the DISTRICT shall be a condition precedent to the obligations of the DISTRICT to execute this Agreement. Approval of these plans and specifications by the DISTRICT shall not relieve the DEVELOPER of liability for any improper design or construction of the FACILITIES.

**4.4 CHANGES TO PLANS AND SPECIFICATIONS.** DISTRICT, without liability to DISTRICT, DISTRICT's engineer and their consultants, and each of their directors, officers, employees, and agents, may require such changes, alterations, or additions to the plans and specifications which do not exceed ten percent (10%) of the original DISTRICT estimated cost of the work as may be determined necessary or desirable by DISTRICT in its sole discretion, including those necessary due to errors or omissions in the approved plans or specifications. Changes, alterations, or additions without said 10% limitation may be made for unforeseen conditions such as rock excavation, unstable soil conditions, or high water tables requiring dewatering.

**5. COMMERCIAL GENERAL LIABILITY AND AUTOMOBILE LIABILITY INSURANCE.** Prior to construction of FACILITIES under this Agreement, the DEVELOPER

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shall provide and maintain the following commercial general liability and automobile liability insurance:

- 5.1 **COVERAGE.** Coverage for commercial general liability and automobile liability insurance shall be at least as broad as the following:
  - A. Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 0001);
  - B. Insurance Services Office (ISO) Business Auto Coverage (Form CA 0001), covering Symbol 1 (any auto).
- 5.2 **LIMITS.** The DEVELOPER shall maintain limits no less than the following:
  - A. General Liability - One million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit or products-completed operations aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2503, or ISO CG 2504, or insurer's equivalent endorsement provided to DISTRICT) or the general aggregate limit and products-completed operations aggregate limit shall be twice the required occurrence limit.
  - B. Automobile Liability - One million dollars (\$1,000,000) for bodily injury and property damage each accident limit.
- 5.3 **REQUIRED PROVISIONS.** The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:
  - A. DISTRICT, its directors, officers, employees, and authorized volunteers are to be given insured status (via ISO endorsement CG 2010, CG 2033, or insurer's equivalent for general liability coverage) as respects: liability arising out of activities performed by or on behalf of the DEVELOPER; products and completed operations of the DEVELOPER; premises owned, occupied or used by the DEVELOPER; and automobiles owned, leased, hired or borrowed by the DEVELOPER. The coverage shall contain no special limitations on the scope of protection afforded to DISTRICT, its directors, officers, employees, or authorized volunteers.
  - B. For any claims related to this project, the DEVELOPER's insurance shall be primary insurance as respects DISTRICT, its directors, officers, employees, or authorized volunteers. Any insurance, self-insurance, or

other coverage maintained by DISTRICT, its directors, officers, employees, or authorized volunteers shall not contribute to it.

C. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to DISTRICT, its directors, officers, employees, or authorized volunteers.

D. The DEVELOPER's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

E. Each insurance policy required by this agreement shall state, or be endorsed to state, that coverage shall not be canceled by the insurance carrier or the DEVELOPER, except after thirty (30) days (10 days for non-payment of premium) prior written notice by U.S. mail has been given to DISTRICT.

Such liability insurance shall indemnify the DEVELOPER and his/her sub-DEVELOPER's against loss from liability imposed by law upon, or assumed under contract by, the DEVELOPER or his/her sub-DEVELOPER's for damages on account of such bodily injury (including death), property damage, personal injury, completed operations, and products liability.

The general liability policy shall cover bodily injury and property damage liability, owned and non-owned equipment, blanket contractual liability, completed operations liability, explosion, collapse, underground excavation, and removal of lateral support. Additionally, the automobile liability policy shall cover all owned, non-owned, and hired automobiles.

All of the insurance shall be provided on policy forms and through companies satisfactory to DISTRICT.

**6. DEDUCTIBLES AND SELF-INSURED RETENTIONS.** Any deductible or self-insured retention must be declared to and approved by DISTRICT. At the option of DISTRICT, the insurer shall either reduce or eliminate such deductibles or self-insured retentions.

**7. ACCEPTABILITY OF INSURANCE.** Insurance is to be placed with insurers having a current A.M. Best rating of no less than A-:VII or equivalent or as otherwise approved by DISTRICT.

**8. WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE.** The DEVELOPER and all sub-DEVELOPERs shall insure (or be a qualified self-insured) under

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the applicable laws relating to workers' compensation insurance, all of their employees working on or about the construction site, in accordance with the "Workers' Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any Acts amendatory thereof. The DEVELOPER shall provide employer's liability insurance with limits of no less than \$1,000,000 each accident, \$1,000,000 disease policy limit, and \$1,000,000 disease each employee.

**9. RESPONSIBILITY FOR WORK.** Until the completion and final acceptance by DISTRICT of all the work under and implied by this agreement, the work shall be under the DEVELOPER's responsible care and charge. The DEVELOPER shall rebuild, repair, restore and make good all injuries, damages, re-erections, and repairs occasioned or rendered necessary by causes of any nature whatsoever.

**10. EVIDENCE OF INSURANCE.** Prior to construction of FACILITIES under this Agreement, the DEVELOPER shall file with DISTRICT a certificate of insurance (Accord Form 25-S or equivalent) signed by the insurer's representative evidencing the coverage required by this agreement. Such evidence shall include an additional insured endorsement signed by the insurer's representative and evidence of waiver of rights of subrogation against DISTRICT (if builder's risk insurance is applicable). Such evidence shall also include confirmation that coverage includes or has been modified to include **Required Provisions, A-E**.

The DEVELOPER shall, upon demand of DISTRICT, deliver to DISTRICT such policy or policies of insurance and the receipts for payment of premiums thereon.

**11. CONTINUATION OF COVERAGE.** If any of the required coverage expires during the term of this agreement, the DEVELOPER shall deliver the renewal certificate(s) including the general liability additional insured endorsement and evidence of waiver of rights of subrogation against DISTRICT (if builder's risk insurance is applicable) to DISTRICT at least ten (10) days prior to the expiration date.

**12. SUB-DEVELOPERS.** In the event that the DEVELOPER employs other DEVELOPERS (sub-DEVELOPERS) as part of the work covered by this agreement, it shall be the DEVELOPER's responsibility to require and confirm that each sub-DEVELOPER meets the minimum insurance requirements specified above.

**13. SECURITY.** Upon execution of this Agreement and prior to Board approval, DEVELOPER shall provide the DISTRICT with a payment bond and a performance bond, each in the amount of **\$ 275,984.13** each payment and performance bond shall represent 100% of the estimated construction costs of the FACILITIES. Bonds shall be furnished by surety companies satisfactory to the DISTRICT. Surety companies, to be acceptable to the DISTRICT,

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must have an acceptable rating from Best's Key Rating Guide, authorized to do business and have an agent for service of process in California.

If at any time a surety on any such bond is declared as bankrupt or loses its right to do business in the state of California for any reason, DEVELOPER shall, within ten (10) days after notice from the DISTRICT, substitute acceptable bonds in such form and sum and signed by such other surety or sureties as may be satisfactory to the DISTRICT in its sole discretion. The premium on such bonds shall be paid by the DEVELOPER.

In the event the PROJECT is sold, transferred or assigned the performance and payment bonds shall remain in effect unless new bonds acceptable to the DISTRICT have been provided.

The performance and the payment bonds must remain in effect throughout the period for performance of the work until the work is accepted by formal action of the Board of Directors of the DISTRICT.

In lieu of providing these performance and payment bonds, DEVELOPER may provide the DISTRICT with a cash deposit to replace either or both of these bonds, or may provide the DISTRICT with an Instrument of Credit, or Irrevocable Letter of Credit on a form acceptable to the DISTRICT. No substitution or modification of the DISTRICT's standard Instrument of Credit or Irrevocable Letter of Credit shall be accepted without approval of the DISTRICT.

**14. DEVELOPER'S FAILURE TO PROVIDE INSURANCE OR BONDS.** In the event any insurance or security provided to the DISTRICT in accordance with this Agreement is terminated or canceled for any reason, or is limited in the scope of coverage required by this Agreement, DEVELOPER shall have thirty (30) consecutive days from written notice from DISTRICT to procure the required insurance or security. The failure of DEVELOPER to present alternative insurance or security acceptable to DISTRICT within this thirty- (30-) day period shall constitute a material breach of this Agreement entitling the DISTRICT to unilaterally terminate this Agreement or sue DEVELOPER for damages at the election of the DISTRICT.

**15. EASEMENTS.** Prior to execution of this Agreement, DEVELOPER shall provide DISTRICT with a current preliminary title report issued within the last 90 days covering all properties in which easements are to be granted to the DISTRICT. The cost of the preliminary title report shall be borne solely by DEVELOPER. DEVELOPER shall provide the DISTRICT with such easements as the DISTRICT may require, as determined by the DISTRICT in its sole discretion. All easements to be conveyed to the DISTRICT shall be prepared on the DISTRICT's standard form easements. All easements shall: (1) be of a width satisfactory to

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DISTRICT, in no case less than twenty (20) feet without specified approval of the Board of Directors; (2) be free and clear of all liens and/or encumbrances which could affect title to the easement; and (3) have recorded subordination agreements for all trust deeds or other liens to insure that the DISTRICT has prior rights in any easements being conveyed to the DISTRICT. DEVELOPER shall procure a policy of title insurance in favor of the DISTRICT covering easements to be granted in amounts determined by the DISTRICT subject only to those conditions of record acceptable to the DISTRICT. All fees and costs to procure easements required by the DISTRICT shall be borne solely by DEVELOPER. Nothing in this Agreement shall obligate the DISTRICT to exercise its condemnation authorities to acquire any easement determined necessary by the DISTRICT. All easements being conveyed to the DISTRICT must be in a recordable form acceptable to the DISTRICT prior to approval of plans and specifications by the DISTRICT.

**16. QUALIFIED SERVICE COMMITMENT.** Nothing in this Agreement is intended to limit the power of the DISTRICT to restrict the use of water as provided by California Water Code §§ 350 et seq., and §§ 31026 et seq. DEVELOPER is advised and understands that the ability of the DISTRICT to provide water service to the PROJECT is dependent upon the continuing availability of water imported to the DISTRICT from other agencies. In the event of a water shortage, threatened water shortage, or an emergency, water service to DEVELOPER's project may not be available or may be curtailed or restricted. Consequently, the DISTRICT cannot guarantee that water will be available at the time service is requested. The declaration of a water shortage, threatened water shortage or emergency shall be exercised in the sole discretion of the DISTRICT. DEVELOPER agrees that the DISTRICT shall not be liable for any damages, costs, fees, or expenses of any kind, caused by any curtailment, restriction, or termination of potable water service determined necessary by the DISTRICT.

**17. CONSTRUCTION OF FACILITIES.** DEVELOPER shall not commence construction of any FACILITIES required by this Agreement until DEVELOPER has received written authorization from the DISTRICT to proceed. All work performed on the FACILITIES shall be done in strict compliance with the approved plans and specifications and in a good and workmanlike manner as determined by the DISTRICT in its sole discretion. All work performed on the FACILITIES by DEVELOPER shall be subject to inspection by the DISTRICT's designated representatives and DEVELOPER shall comply with all instructions given by the DISTRICT's representative during construction of the work. All fees and costs to construct the FACILITIES shall be borne by DEVELOPER.

**18. COMPLIANCE WITH APPLICABLE LAW.** DEVELOPER shall insure that all work performed on the project is performed in a manner which complies with all applicable federal and state laws and all county and local government rules and regulations, including all rules and regulations of DISTRICT, as these rules and regulations may be modified or changed from time to time. DEVELOPER shall be solely responsible for obtaining and paying for all permits, licenses and approvals necessary to construct the FACILITIES. DEVELOPER shall provide verification that permits, licenses and approvals have been obtained promptly upon demand from DISTRICT.

**19. PREVAILING WAGES.** DEVELOPER is aware of the provisions of California Labor Code §§ 1770 et seq., which requires the payment of prevailing wage rates and the performance of other requirements if it is determined that DEVELOPER's contract with its contractor to construct the FACILITIES is a public works contract. DEVELOPER agrees to hold the DISTRICT and its officers, employees and agents harmless from any claim of liability, including costs of defense and attorney's fees, arising from any alleged failure to comply with these provisions of the Labor Code.

DEVELOPER, and not the DISTRICT, shall be liable for insuring that prevailing wages, as set by the Director of the Department of Industrial Relations, have been paid for all work performed in accordance with this contract. In the event of any claim, DEVELOPER shall provide the DISTRICT with all information in DEVELOPER's possession concerning the claim within ten (10) consecutive days following written demand from the DISTRICT.

**20. UTILIZATION OF A PORTION OF WORK.** DISTRICT shall have the right upon written notification to the DEVELOPER to utilize such portions of the work DISTRICT deems sufficiently complete to be utilized or placed into service.

**21. ACCEPTANCE OF WORK.** Upon completion of the FACILITIES required by this Agreement to the satisfaction of the DISTRICT, the FACILITIES which have been constructed shall be presented to the Board of Directors of the DISTRICT for dedication and the filing of a Notice of Completion. The DISTRICT shall have no obligation to accept the FACILITIES or file a Notice of Completion if the design and/or construction of the work is not satisfactory to the DISTRICT in its sole discretion. Upon recordation of a Notice of Completion, all right, title, ownership and interest in the FACILITIES shall be deemed to have been transferred to the DISTRICT. DEVELOPER shall not allow any part of PROJECT to be occupied prior to acceptance of FACILITIES by DISTRICT.

**22. WATER SERVICE MAINTENANCE AFTER ACCEPTANCE OF WORK.** Due to the uncertainty of prompt sale/construction/occupancy of the project's lots and based on the

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need to provide adequate flow to residences, DEVELOPER shall be responsible for periodic flushing of the services within the subdivision until such time as the subdivision is sold. The DISTRICT and DEVELOPER will cooperate to provide manpower and schedule work.

**23. LIABILITY FOR WORK PRIOR TO FORMAL ACCEPTANCE.** Until the Board of Directors of the DISTRICT has formally accepted all work performed in accordance with this Agreement, DEVELOPER shall be solely responsible for all damage to the work regardless of cause and for all damages or injuries to any person or property from any cause excepting injury or damage caused by the sole or active negligence of DISTRICT, its agents, servants or employees.

**24. LIABILITY AFTER ACCEPTANCE OF WORK.** After the Board of Directors of the DISTRICT has accepted the FACILITIES by formal action of the Board, DEVELOPER and DEVELOPER's successors in interest shall remain liable for all injuries or damage to persons or property including damage to the work itself, arising from or related to design or construction of the FACILITIES.

**25. RELEASE OF SECURITY.** Forty (40) days after the Notice of Completion has been filed by the DISTRICT, the DISTRICT shall release any security previously provided by DEVELOPER, as long as no claims have been filed. The security shall not be released until the DISTRICT has received a warranty bond or alternative security acceptable to the DISTRICT covering 25% of the original performance bond or alternative security amount. DISTRICT must have warranty bond prior to Board acceptance of the project. This new security shall remain in effect until the warranty period has expired One (1) year from final Board Acceptance and DEVELOPER has corrected all defects noted by the DISTRICT during the warranty period.

**26. WARRANTY.** DEVELOPER shall and hereby does guarantee all work and materials for the FACILITIES to be free from all defects due to faulty materials or workmanship for a period of one (1) year after the date of acceptance of the work by the DISTRICT. The DEVELOPER shall repair or remove and replace any and all such work, together with any other work which may be displaced in so doing, that is found to be defective in workmanship and/or materials within said one-year period without expense whatsoever to the DISTRICT, ordinary wear and tear and unusual abuse or neglect excepted. In the event DEVELOPER fails to comply with the above-mentioned conditions within one (1) week after being notified in writing, the DISTRICT is authorized to proceed to have the defects remedied and made good at the expense of DEVELOPER who agrees to pay the cost and charges therefore immediately upon demand. Such action by the DISTRICT will not relieve the DEVELOPER of the guarantee

required by this section. This section does not in any way limit liability of the DEVELOPER for any design defects or defects in the work subsequently discovered by the DISTRICT.

**27. INDEMNITY.** DEVELOPER shall be solely responsible and liable for design defects or defects in work performed to construct the FACILITIES required by this Agreement. This shall include liability and responsibility for injury or damage to the work itself. DEVELOPER hereby agrees to hold harmless, indemnify and defend the DISTRICT, the DISTRICT's representatives and each of the DISTRICT's officers, employees and agents from any and all claims, suits or action of every name, kind and description brought for or on account of injuries to or death of any person or damage to any property resulting from design or construction of the FACILITIES except where the injury or damage has been caused by the sole and active negligence of the DISTRICT, its agents, servants or employees. In the event that any suit is instituted naming the DISTRICT as a party, the DISTRICT shall be entitled to appoint its own independent counsel to represent the DISTRICT; and DEVELOPER agrees to pay all attorney's fees and litigation costs associated with this defense. This indemnity shall extend to any claims arising because DEVELOPER has failed to properly secure any necessary easement, land right, contract or approval

**28. AS-BUILT DRAWINGS.** Prior to acceptance of the work by the Board of Directors of the DISTRICT, DEVELOPER shall provide the DISTRICT with two (2) blueprint copies of "as-built" drawings. Upon approval of the blueprint copies the DISTRICT will require a bonded mylar or original drawing, disk and certification by a licensed engineer in the state of California as to the accuracy and completeness of the "as-built" drawings.

**29. CASH DEPOSITS.** DEVELOPER shall provide the DISTRICT with an initial cash deposit in the amount of \$28,225.63 to cover all DISTRICT fees and costs associated with the FACILITIES. When this deposit has been drawn down to \$ 2,500.00 DEVELOPER agrees to deposit such additional sums as the DISTRICT may determine from time to time to cover all fees and costs of the DISTRICT. Prior to final acceptance of the project, a final accounting will be forwarded to the developer for payment. Additional deposits for additional inspections after acceptance of the project may be requested.

**30. MISCELLANEOUS PROVISIONS.**

**30.1 VENUE.** In the event of any legal or equitable proceeding to enforce or interpret the terms or conditions of this Agreement, the parties agree that venue shall lie only in the federal or state courts in or nearest to the North County Judicial District, County of San Diego, State of California.

- 30.2 MODIFICATION.** This Agreement may not be altered in whole or in part except by a modification, in writing, executed by all the parties to this Agreement.
- 30.3 ATTORNEY'S FEES.** In the event of any legal or equitable proceeding to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to all reasonable attorney's fees and costs in addition to any other relief granted by law. This provision shall apply to the entire Agreement.
- 30.4 ENTIRE AGREEMENT.** This Agreement, together with all the exhibits attached to this Agreement, contains all representations and the entire understanding between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda or agreements are in conflict with this Agreement are intended to be replaced in total by this Agreement and its exhibits.
- 30.5 ASSIGNMENTS.** DEVELOPER shall not be entitled to assign all or any portion of its rights or obligations contained in this Agreement without obtaining the prior consent of the DISTRICT, which consent shall not be unreasonably withheld. Any purported assignment without the DISTRICT's prior written consent shall be void.
- 30.6 BINDING EFFECT.** This Agreement shall inure to the benefit of and be binding upon the parties and their respective purchasers, successors, heirs and assigns.
- 30.7 UNENFORCEABLE PROVISIONS.** The terms, conditions and covenants of this Agreement shall be construed whenever possible as consistent with all applicable laws and regulations. To the extent that any provision of this Agreement, as so interpreted, is held to violate any applicable law or regulation, the remaining provisions shall nevertheless be carried into full force and effect and remain enforceable.
- 30.8 REPRESENTATION OF CAPACITY TO CONTRACT.** Each of the parties to this Agreement represents and warrants that he has the authority to execute this Agreement on behalf of the entity represented by that individual.
- 30.9 OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT COUNSEL.**  
DEVELOPER has been advised and understands that this Agreement has

been prepared by The Law Offices of Jeffrey G. Scott, general counsel, who represents only the DISTRICT. DEVELOPER warrants and represents that DEVELOPER has been advised to consult independent legal counsel of its own choosing and has had a reasonable opportunity to do so prior to executing this Agreement.

**30.10 NO WAIVER.** The failure of either party to enforce any term, covenant or condition of this Agreement on the date it is to be performed shall not be construed as a waiver of that party's right to enforce this, or any other, term, covenant or condition of this Agreement at any later date or as a waiver of any term, covenant or condition of this Agreement.

**30.11 NOTICES.** All letters, statements or notices required pursuant to this Agreement shall be deemed effective upon receipt when personally served or when sent certified mail, return receipt requested to the following addresses:

**30.12 EFFECTIVE DATE.** The effective date of this Agreement, executed in counterparts in the North County Judicial District, County of San Diego, State of California, is \_\_\_\_\_.

<b>"DISTRICT"</b>	
<b>VALLECITOS WATER DISTRICT</b>	
By: _____	Dated: _____
Glenn Pruiam, Secretary Board of Directors Vallecitos Water District	

<b>"DEVELOPER"</b>	
Name: <b><u>BERNARD REEDER</u></b>	
Title: <b><u>CHIEF FINANCIAL OFFICER</u></b>	
Company: <b><u>RAECORTE DEVELOPMENT LLC.</u></b>	
Signature*: _____	Dated: <u>12/18/2019</u>

\*Acknowledgment of the signature(s) of authorized representative(s) of DEVELOPER executing this Construction Agreement, by a Notary Public, is required. Attach acknowledgment to this page.

**See Attached For Official Notary**  
*DECEMBER 18, 2019 SR*

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of SAN DIEGO

Subscribed and sworn to (or affirmed) before me on this 18  
day of DECEMBER, 2019, by BERNARD REEDER

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



(Seal)

Signature 



**DATE: MARCH 4, 2020**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: DISCUSSION REGARDING CERTAIN PROPERTY DESIGNATED AS**  
**“NORDAHL 15-LOT SUBDIVISION” (APN 226-290-01)**  
**(REZA SAMANDARI & SAHAR NAEEMI)**

**BACKGROUND:**

The Nordahl Road Subdivision is a proposed 15-lot single-family residential development. The property is on approximately 3.8 acres located on the west side of Nordahl Road, north of Rock Springs Road and south of El Norte Parkway. The property is currently within the VWD Sphere of Influence but not within either the water or sewer service boundaries of the District. The property is currently within Vista Irrigation District’s (VID) water service boundary and receives water service from VID.

**DISCUSSION:**

The previous owner of the property, Jim Waring, requested annexation into VWD’s water and sewer boundary. The annexation conditions were approved by the Board on July 19, 2017. At the time, VID had agreed to continue to serve the property, so the property was planned to be served by VWD for sewer only.

A sewer study was prepared for the previous owner by VWD in December 2017. The study identified over 3,000 feet of sewer main which was deficient. After discussions with the previous owner, it was determined that VWD would only require the most impacted section of sewer main to be addressed. The owner would be responsible for upsizing a 137-foot section of sewer main in Rock Springs Road from 8-inch to 15-inch.

A subdivision improvement plan check was opened with VWD in August of 2018. Staff returned plan comments within three weeks, but a corrected version was never received back from the previous owner. On April 1, 2019, Mr. Waring sent an email to staff expressing concerns about the project’s viability. Mr. Waring ceased work with VWD on both the plan check and water and sewer annexation for the Nordahl 15-Lot Subdivision.

To summarize, the annexation conditions had not been met and the plan check was incomplete. A construction agreement has not been approved by the Board and the improvement plans are not signed. Therefore, no written commitments were given from VWD staff to protect the project or secure the verbal agreements made with Mr. Waring. Staff closed-out the project in December 2019 due to inactivity and refunded the balance of funds remaining back to the property’s previous owner.

Reza Samandari and Sahar Naeemi recently purchased the property with the assumption that the development conditions agreed between VWD and the previous owner would transfer to the new ownership.

When Mr. Samandari and Ms. Naeemi contacted VWD about resurrecting the project, they were informed that since the project had been closed and no formal agreements were in place, the project owners would be required to reapply for water and sewer service. This would require an update to the sewer study since VWD has since adopted a new Master Plan with a new sewer model. The new owners would also be required to start the annexation and plan check processes over.

Since Mr. Samandari and Ms. Naeemi based their purchase of the property on the assumption that the project requirements were already set, they are requesting that VWD honor the verbal agreement that was offered to the previous owner, such as allowing VID to serve water to the development, no requirement to update the sewer study and limiting the off-site sewer upgrades to the 137 feet in Rock Springs Road.

Staff has the following concerns regarding Mr. Samandari's and Ms. Naeemi's request:

1. Staff has held discussions with VID over the past year regarding water service to new developments within VID's water service area but also within VWD's Sphere of Influence. This issue is expected to be resolved by the March 4, 2020 Board meeting. If VWD will provide water to the property, the owner will need to construct approximately 1,200 feet of VWD water main from the intersection of Rock Springs and Nordahl Road to the property, which was not required of the previous owner.
2. VWD has completed and adopted a new Master Plan since work halted on the Nordahl 15-Lot Subdivision. This new Master Plan projects higher sewer flows than the 2008 version of the Master Plan. In order to determine if the proposed development impacts VWD's sewer collection system under the new Master Plan projections, an updated study would be required.
3. VWD does not currently have a project with the new owners of the Nordahl 15-Lot Subdivision. To start a project with VWD, a developer would typically be required to fund a water and sewer study. While Mr. Samandari and Ms. Naeemi have deposited funds with VWD to investigate water purveyor options, they specifically did not authorize work on a water and sewer study.

In conclusion, staff is requesting that Mr. Samandari and Ms. Naeemi authorize work on an updated water and sewer study in order to determine project impacts and assist in setting development conditions.

**FISCAL IMPACT:**

None.

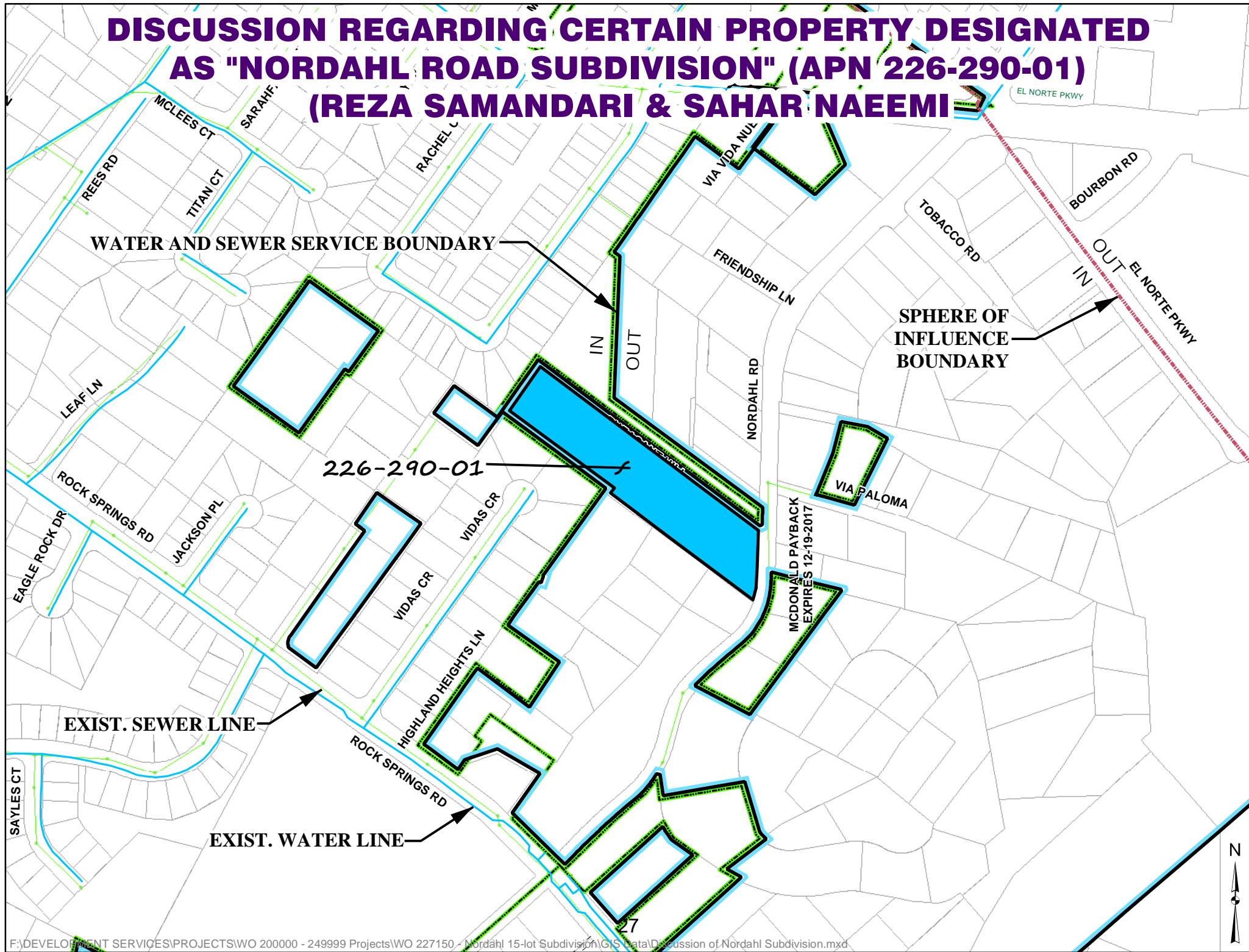
**RECOMMENDATION:**

For discussion.

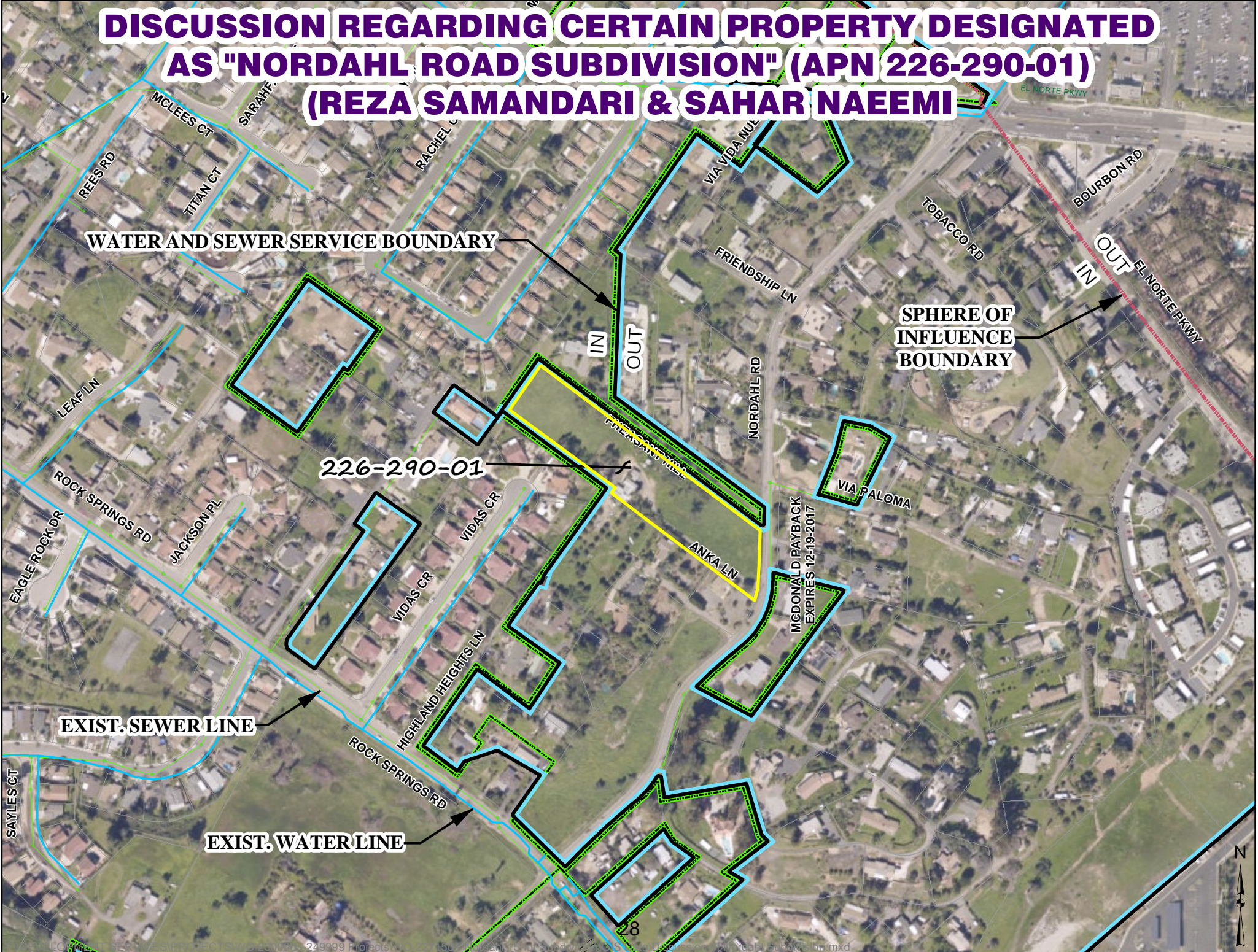
**ATTACHMENTS:**

2 Map Exhibits - 1 Plat & 1 Aerial

# DISCUSSION REGARDING CERTAIN PROPERTY DESIGNATED AS "NORDAHL ROAD SUBDIVISION" (APN 226-290-01) (REZA SAMANDARI & SAHAR NAEEMI)



# DISCUSSION REGARDING CERTAIN PROPERTY DESIGNATED AS "NORDAHL ROAD SUBDIVISION" (APN 226-290-01) (REZA SAMANDARI & SAHAR NAEEMI)



**DATE: MARCH 4, 2020**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: ADJUSTMENT TO GENERAL MANAGER'S COMPENSATION**

**BACKGROUND:**

In 2018 the Vallecitos Water District and General Manager Pruim (Employee) entered into the First Amended Employment Agreement (Agreement), which extended the term of General Manager Pruim's employment by four years effective December 5, 2018. Section 3, Annual Salary, of the Agreement states the following: "Employee shall receive the same cost-of-living adjustments as other full-time District management employees. In addition, the Board of Director's shall conduct an annual performance evaluation of Employee to consider Employee's performance and compensation. At that time, the Board of Director's will consider merit increases of up to three percent (3%) in salary, as may be determined by the Board of Directors in its sole discretion."

**DISCUSSION:**

The Board conducted an annual performance evaluation for General Manager Pruim. Based upon their review, the Board proposed, in lieu of a discretionary merit increase of up to three percent (3%) in salary provided by the Agreement, to consider paying General Manager Pruim a one-time performance-based lump sum bonus. The bonus is a one-time payment, does not set a precedent and will not be included in the calculation of his CalPERS retirement benefit.

**FISCAL IMPACT:**

The one-time lump sum bonus is in the amount of \$10,000. There are adequate funds in the operating budget for this amount.

**RECOMMENDATION:**

Approve the one-time lump sum bonus for General Manager Pruim.