

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, FEBRUARY 26, 2020, AT 5:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Evans called the Special meeting to order at the hour of 5:04 p.m.

Director Elitharp led the pledge of allegiance.

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

Staff Present: General Manager Pruim
 Legal Counsel Gilpin
 District Engineer Gumpel
 Finance Manager Owen
 Operations & Maintenance Manager Pedrazzi
 Capital Facilities Senior Engineer Morgan
 Development Services Senior Engineer Scholl
 Capital Facilities Engineer Santos
 Public Information/Conservation Supervisor Robbins
 Executive Secretary Posvar

ADOPT AGENDA FOR THE SPECIAL MEETING OF FEBRUARY 26, 2020

20-02-09 MOTION WAS MADE by Director Hernandez, seconded by Director Martin, and carried unanimously, to adopt the agenda for the Special Board Meeting of February 26, 2020.

PUBLIC COMMENT

Mike Hunsaker, member of the public, addressed the Board speaking as President of the Twin Oaks Valley Property Owners Association stating that in 2010 Cal Fire requested a change in building codes requiring internal fire sprinklers in single family dwellings, townhouses and condominiums to allow for maximum capacity flow around 35 gallons per minute. As a consequence of this, the District increased the capacity for the extra flow requirements going from a 5/8-inch valve to a 3/4-inch valve, facility charges were changed from 500 gallons per day to 750 gallons per day, and monthly service charges were increased for 3/4-inch valves. That is justified but very few homes have been built and the State Board recommended but did not require that 3/4-inch valves and 5/8-inch valves be charged the same. The District has progressively decreased the differential between the 3/4-inch and 5/8-inch valves. People are paying now for fire protection services they are not receiving. This needs to be reevaluated as a matter of equity, not of just revenue concerns.

Reza Samandari, member of the public, addressed the Board stating he and his business partner, Sahar Naeemi, purchased property at 1217 Nordahl Road. Prior to closing escrow, they asked the District if anything was pending pertaining to the property and were given information about what the previous owner had applied for. After the close of escrow, they discovered a list of items, including a new study, that must be addressed.

Lee Whittington of Sweetwater Engineering, Mr. Samandari's engineer, addressed the Board giving a brief history of the project. The District has a sewer line in front of the property and Vista Irrigation District (VID) has a water line in front of the property. The project goal is to connect to the District's water and VID's sewer. The LAFCO process has been completed. The previous property owner's application expired requiring the new owners to start a new application which requires new sewer and water studies, the possibility of de-annexing from VID, and more water improvements.

General Manager Pruim stated the Board could not discuss this matter as it was not on the agenda. He stated he would meet with staff and the developer, and that this matter would be placed on the March 4, 2020 Board agenda.

PRESENTATION

Public Information/Conservation Supervisor Robbins presented the District's recent video, "Pipe Inspection and Condition Analysis," that highlights a new pipeline inspection tool being used by contractors working for the District to determine pipeline integrity of the High Point development.

CONSENT CALENDAR

Mike Hunsaker, member of the public, addressed the Board regarding Item 1.3 of the Consent Calendar, expressing his concern about single family residential water consumption. The District provides the average per capital usage presented in a chart. He requested a breakdown of the chart to show what is included in the per capita consumption and water consumption per type of valve and meter. He is not pleased with the use of huge reserves. He stated the District is still using a high percentage of non-rated investments which he considers unwise.

20-02-10 MOTION WAS MADE by Director Sannella, seconded by Director Martin, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Closed Session Board Meeting – February 5, 2020
- B. Regular Board Meeting – February 5, 2020

1.2 Warrant List through February 26, 2020 - \$1,331,779.33

1.3 Financial Reports

- A. Water Meter Count – January 31, 2020
- B. Water Production/Sales Report – 2019/2020
- C. Per Capita Water Consumption – January 31, 2020
- D. Water Revenue and Expense Report – January 31, 2020
- E. Sewer Revenue and Expense Report – January 31, 2020
- F. Reserve Funds Activity – January 31, 2020
- G. Investment Report – January 31, 2020
- H. Legal Fees Summary – January 31, 2020

1.4 Organizational Achievement Awards for Public Information/Conservation Department

1.5 Winter 2020 Between the Pipes – Vallecitos Water District Quarterly Newsletter

1.6 Approval of Construction Agreement for Stefan Terrace 4 Lot Subdivision, APN: 228-130-32 [Main EC, LLC (Alex Ahmadian Managing Member)]

1.7 Approval of Per Diem and Expenses for Director Attendance to the San Diego North Economic Development Council Lunch and Learn Program

ACTION ITEMS

ACCEPTANCE OF LAWRENCE WELK COURT WATER LINE REPLACEMENT CAPITAL IMPROVEMENT PROJECT

Capital Facilities Senior Engineer Morgan stated a 12-inch concrete mortar lined and coated steel pipe was installed in 1976 to a 30-foot-wide District easement under Lawrence Welk Court. Staff responded to a break at Lawrence Welk Court on September 9, 2018 and was unable to repair the break due to the depth of the pipeline, rocky conditions and difficult location of the pipeline. At that time a temporary highline was installed to provide service through the existing steel pipeline and plans were made to relocate the water line during the 2019/2020 fiscal year.

Capital Facilities Senior Engineer Morgan further stated staff received and opened bids from four contractors. Southland Paving was determined to be the lowest responsive, responsible bidder. The Board awarded the contract to Southland Paving in the amount of \$144,975 on November 6, 2019. Construction was completed on January 30, 2020.

Staff recommended the Board accept the project and authorize the General Manager to file a Notice of Completion and release of retention funds to the contractor following the 60-day notice period, provided no claims are filed, in conformance with the contract documents.

- 20-02-11 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, to accept the project and authorize the General Manager to file a Notice of Completion and release of retention funds to the contractor following the 60-day notice period, provided no claims are filed, in conformance with the contract documents.

CONSTRUCTION CONTRACT ACCEPTANCE OF SCHOOLHOUSE TANK REFURBISHMENT

Capital Facilities Senior Engineer Morgan stated the interior lining of the Schoolhouse Tank had deteriorated and required refurbishment to replace the existing lining and cathodic protection system. The Board awarded Harper & Associates Engineering a purchase order for design and inspection services on July 19, 2017. Staff received and opened bids from four contractors and determined West Coast Industrial Linings to be the lowest responsive, responsible bidder. The Board awarded the contract to West Coast Industrial Linings in the amount of \$535,000 on April 17, 2019 and construction began on May 20, 2019. Construction was completed on January 31, 2020 with three change orders totaling \$180,946 due to extensive corrosion on the rafters discovered after the initial blast inspection and an addition of 65 calendar days to the contract. The original budget for the project was \$782,000. With the addition of the change orders and extra days on the contract, the budget shortfall is \$145,510.

Staff recommended the Board accept the project, authorize increasing the project budget by \$145,510, and authorize the General Manager to file a Notice of Completion and release of retention funds to the contractor following the 60-day notice period, provided no claims are filed, in conformance with the contract documents.

General discussion took place.

- 20-02-12 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, to accept the project, authorize increasing the project budget by \$145,510, and authorize the General Manager to file a Notice of Completion and release of retention funds to the contractor following the 60-day notice period, provided no claims are filed, in conformance with the contract documents.

REVIEW OF DISTRICT ORDINANCES, POLICIES AND CONTRACTS

Director Sannella stated that a few items came to the Board in 2019 that caused some confusion and revealed that some of the District's policies and ordinances were not always as clear as they could be. He requested a Board committee work with staff to conduct a policy review and present suggestions to the Board.

General discussion took place during which President Evans suggested this item be addressed at the Board goal setting meeting scheduled on March 3 to allow input from all Board members. Director Sannella recommended a Board committee and staff meet to identify the scope of the review and prioritize areas to be reviewed.

20-02-13 MOTION WAS MADE by President Evans, seconded by Director Hernandez, and carried 4 – 1, with Director Sannella voting no, to move this item to the March 3 goal setting meeting for further discussion.

Mike Hunsaker, member of the public, addressed the Board stating he believes some of the ordinances need clarification and some changes. In light of an upcoming housing boom, a potential development such as Newland Sierra combined with SB 330 could completely overwhelm all of the District's capacity. A new Water Master Plan would be necessary and detachment fees, capacity fees and leasing should be revisited.

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION CALL FOR NOMINATIONS – SEAT C

General Manager Pruim stated the Elections and Bylaws Committee is calling for nominations for Seat C in the Southern Network for the 2021-2023 term.

The Board took no action.

President Evans left the meeting at 5:51 p.m. and returned at 5:54 p.m.

SAN MARCOS CHAMBER OF COMMERCE STATE OF THE CITY ADDRESS AND ORDINANCE 212

Director Hernandez stated he and Director Martin thought the request for per diem to attend the State of the City Address was approved at the previous Board meeting. General Manager Pruim stated that this item was added to alleviate the need to request approval each year. Approval was made at the past meeting and to ensure this does not have to be addressed in the future, it is being added to the ordinance as a compensable per diem for future State of the City Addresses. The ordinance also adds CalDesal to the list of authorized memberships.

20-02-14 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, with President Evans absent, to adopt Ordinance No. 216.

SAN MARCOS BOYS & GIRLS CLUB ANNUAL AUCTION

Director Sannella stated the San Marcos Boys & Girls Club Annual Auction will be held on Saturday, April 18. He requested the Board consider purchasing a table sponsorship for the event.

General Manager Pruim stated that in the past the District has not been able to fill a table of ten for the event. Director Sannella and Director Martin recommended purchasing a table. Director Martin stated no per diem should be paid for attending the event.

20-02-15 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried 4 – 1, with President Evans voting no, to purchase a table sponsorship at the San Marcos Boys & Girls Club Annual Auction.

REPORTS

GENERAL MANAGER

General Manager Pruim reported the following:

- At approximately 9:18 p.m. on February 25, 2020, a power outage occurred at the District's Meadowlark facility. The SCADA system worked well, the notification was received, staff responded, all operations continued as planned, and there were no compliance failures. San Diego Gas & Electric (SDG&E) was contacted; however, they had no record of the outage. Upon inspecting the perimeter of the site, staff noticed a jumper wire from a power pole that was disconnected. SDG&E is in the process of undergrounding the wiring to Meadowlark. Staff notified SDG&E of the loose wire which SDG&E repaired. Power was restored at 4:17 a.m. this morning.
- The District-wide solar project will be delayed as the solar panels are manufactured in China. The Coronavirus is causing manufacturing and shipping delays.
- The public hearing on rates is scheduled for Thursday, February 27 at 5:00 p.m. The rate increase is for water only. No wastewater increases were proposed.

DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin stated there has been a state-wide attempt to bring actions challenging water rates against multiple water districts and cities. That action has now been filed in Santa Clara County. Vallecitos is named in the action but has not yet been served. It is a strange claim challenging the rates of all of the public entities that have been named as either subsidizing government water services such as fire hydrants and/or agricultural rates under Proposition 218. The action was filed by the law firm of Driscoll & Omens.

SAN DIEGO COUNTY WATER AUTHORITY

President Evans stated the Board will meet on February 27.

ENCINA WASTEWATER AUTHORITY

Director Hernandez reported on his attendance to the Capital Improvement Committee meeting at which the co-generation wall repair project was discussed. The shoring design took approximately four months to complete. The project will now go out for bid.

Director Martin reported on his attendance to the Policy and Finance Committee at which the South Parcel was discussed. Staff was tasked with determining ways to make money on that empty parcel for 7 to 10 years, leasing it out until EWA is ready to build their Pure Water facility. Ideas included electrical generation, battery storage, and automobile storage. The Committee approved moving forward with the lease option.

STANDING COMMITTEES

Director Sannella stated the Finance/Investment Committee will meet on March 2.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Elitharp reported on his attendance to the Urban Water Institute (UWI) spring conference and Council of Water Utilities meeting.

Director Martin reported on his attendance to the UWI spring conference and the Chamber of Commerce State of the City Address.

Director Hernandez reported on his attendance to the Chamber of Commerce State of the City Address and the California Special Districts Association San Diego Chapter quarterly dinner meeting.

Director Sannella reported on his attendance to the California Special Districts Association San Diego Chapter quarterly dinner meeting.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

None.

ADJOURNMENT

There being no further business to discuss, President Evans adjourned the Special Meeting of the Board of Directors at the hour of 6:24 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, March 4, 2020, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

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

ATTEST:

Glenn Pruiam, Secretary
Board of Directors
Vallecitos Water District