

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, JUNE 3, 2020, AT 5:00 PM AT THE DISTRICT OFFICE,  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Evans called the Regular meeting to order at the hour of 5:00 p.m. The meeting was held via teleconference.

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

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 Morgan  
Risk Management Supervisor Woolslayer  
Principal Financial Analyst Arthur  
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF JUNE 3, 2020

President Evans requested the agenda be amended to consider Action Item 2.3, Vallecitos Water District Recommended Fiscal Year 2020/2021 Budget, before the other action items.

20-06-03 MOTION WAS MADE by Director Hernandez, seconded by Director Martin, and carried unanimously, to adopt the agenda for the Regular Board Meeting of June 3, 2020 as amended.

PUBLIC COMMENT

None.

CONSENT CALENDAR

20-06-04 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, to approve the Consent Calendar as presented.

- 1.1 Approval of Minutes
  - A. Regular Board Meeting – May 20, 2020
- 1.2 Warrant List through June 3, 2020 - \$3,307,443.87
- 1.3 Approval of Construction Agreement for Panera Bread, APNs 219-331-39 and 219-331-40 (Patriot San Marcos, LLC)
- 1.4 Approval of Construction Agreement for Pico Avenue Sewer Improvements, North County Transit District Crossing (El Dorado II, LP)

### ACTION ITEMS

### VALLECITOS WATER DISTRICT RECOMMENDED FISCAL YEAR 2020/2021 BUDGET

General Manager Pruim stated the Draft Proposed Budget for Fiscal Year (FY) 2020/2021 was presented to the Board at the Regular Board meeting on May 20, 2020. Along with the recommended budget, staff would present the five-year financial forecast which includes assumptions for future rate increases necessary to fund District operations and rate increases for water purchases from the San Diego County Water Authority (SDCWA), the District's single largest expense. The Board would be asked to adopt a one-year budget for July 1, 2020 to June 30, 2021; however, they would not be asked to adopt any rate increases at this time. The rate increases presented are for future years and for budgeting and planning purposes only. The recommended budget incorporates the Board's recommendations made at the May 20 meeting including the CalPERS Unfunded Accrued Liability (UAL) funding.

Finance Manager Owen facilitated a presentation on the Recommended Budget for FY 2020/2021, along with Principal Financial Analyst Arthur who discussed water sales revenue, average customer bills, water purchases, and sewer revenue, as follows:

- Budget Process & Calendar
- Budgeting for COVID-19
- 2020/2021 Budget - \$90,625,000
- 2020/2021 Water Operating Expense Budget - \$42,726,000
- Operating Budget – Water
- 2020/2021 Wastewater Operating Expense Budget - \$13,310,000
- Operating Budget – Sewer
- Salary & Benefits Budget-to-Budget Comparison
- Operating Budget – Salaries & Benefits
- Operating Budget – Full-Time Equivalent Employees

- Salaries & Benefits Initiatives
- Water Sales – Sales
- Budget Assumptions
- FY 2020/2021 Budget Effects
- Average Customer Bill
- Water Purchases
- Water Sales – Revenue
- Sewer Revenues
- Capital Budget-to-Budget Comparison
- Capital Improvement Projects by Function Total
- CalPERS UAL Funding Policy
- Reserve Balances
- Replacement Reserves
- Days in Cash
- Recommendations

Finance Manager Owen noted the FY 2020/2021 Recommended Budget totaling \$90,625,000 is approximately \$7.5 million less than the FY 2019/2020 budget and total salaries and benefits decreased by \$320,000.

Staff recommended the Board approve the revised Vallecitos Water District CalPERS UAL Funding Policy and the Recommended FY 2020/2021 Budget which reflects the CalPERS UAL Funding Policy.

20-06-05 MOTION WAS MADE by Director Martin, seconded by President Evans, and carried unanimously, to approve the revised Vallecitos Water District CalPERS UAL Funding Policy and the Recommended FY 2020/2021 Budget which reflects the CalPERS UAL Funding Policy.

#### CALIFORNIA SPECIAL DISTRICTS ASSOCIATION 2020 BOARD ELECTIONS – SOUTHERN NETWORK, SEAT C

General Manager Pruim stated the CSDA is holding an election for Southern Network, Seat C on their Board of Directors for the term ending in 2023. There are four candidates seeking the position. Each member agency is allowed to vote for one candidate. Votes are due on July 10, 2020.

General discussion took place.

The Board took no action.

AWARD OF PROFESSIONAL SERVICES AGREEMENT FOR THE TRES AMIGOS WATERLINE REPLACEMENT PROJECT

Capital Facilities Senior Engineer Morgan stated the District's Tres Amigos Waterline consists of approximately 19,000 feet of pipelines ranging from 6-inch to 12-inch diameter. The pipelines were installed in the 1950s and 1960s, extending from the North Twin Oaks Tank No. 2 in Pleasant Heights Drive to north of Carrio Drive. The original Tres Amigos Line Extension Project occurred in 1958 which installed 6-inch and 8-inch diameter tar wrapped 12-14-gauge steel pipelines, a material that is considered thin-wall steam pipeline and not adequate for use in pressurized water distribution systems. This project will replace approximately 7,800 feet of the Tres Amigos Waterline considered most at risk beginning at the tee junction in Tres Amigos Ranch Road, travelling northbound in VWD easements, dead ending at the District's northern boundary, and includes the relocation of the existing pipelines out of private backyards and into the public right-of-way.

Capital Facilities Senior Engineer Morgan further stated the District submitted a Request for Proposals to four local engineering firms requesting they present their experience in designing waterline replacements of comparative scope to this project. Staff received proposals from all four firms. NV5 was selected as the most qualified consultant. Staff met with NV5 to revise and finalize the Scope of Services and Fee Schedule. The time and material not-to-exceed project fee is \$318,600.

Staff recommended the Board authorize the General Manager to enter into a professional engineering services agreement with NV5 in the amount of \$318,600 for design, bid, and engineering services during construction of the Tres Amigos Waterline Replacement Project.

General discussion took place regarding the cost component of bids for professional services versus construction bids.

20-06-06 MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried unanimously, to authorize the General Manager to enter into a professional engineering services agreement with NV5 in the amount of \$318,600 for design, bid, and engineering services during construction of the Tres Amigos Waterline Replacement Project.

FINAL ACCEPTANCE OF SEWER MAIN EXTENSION, WALNUT HILLS DRIVE, APNs 220-270-05, 220-270-16, 220-270-21, 220-270-22 & 220-270-37 (ELITHARP, KLIMA, FROST, RICHARDSON & NELSON)

Director Elitharp recused himself from discussion and voting on this item as he is one of the project proponents.

District Engineer Gumpel stated the owners of five existing single-family residences on Walnut Hills Drive collaborated to install a new sewer main in order to receive service to their properties. On December 11, 2019, the Board approved the construction of the sewer main. The project constructed approximately 573 feet of 8-inch diameter PVC sewer main. Upon final acceptance of the project, sewer service will be available to up to 10 homes. The owners requested a reimbursement agreement for the construction costs associated with the sewer main which allows future private reimbursement of proportionate shares of the construction costs of a main line extension over a period of 20 years pursuant to District Ordinance No. 180.

District Engineer Gumpel further stated the reimbursement agreement will be brought before the Board at a future meeting. Ordinance No. 180 assumes that the project acceptance and reimbursement agreement are approved by the Board at the same meeting and requires a minimum 10-day notice be given to all property owners within the reimbursement area that may be served by the sewer main extension. Staff is seeking project acceptance prior to approval of the reimbursement agreement; therefore, staff requested the Board waive the 10-day noticing requirement for the project acceptance. Ten-day notice will be given to all property owners within the reimbursement area prior to the Board's consideration of the reimbursement agreement at a public meeting.

Staff recommended the Board waive the 10-day noticing requirement for project acceptance, and authorize the General Manager to accept the project improvements and approve the Filing of a Notice of Completion for the Walnut Hills Drive Sewer Main Extension.

20-06-07      MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, with Director Elitharp abstaining, to waive the 10-day noticing requirement for project acceptance, authorize the General Manager to accept the project improvements and approve the Filing of a Notice of Completion for the Walnut Hills Drive Sewer Main Extension.

Director Elitharp rejoined the meeting.

#### DISTRICT REOPENING UPDATE

General Manager Pruiim provided a timeline of COVID-19 related events and discussed COVID-19's impact on the District's employees, customers, and Board/Committee meetings. Since Governor Newsom issued a Stay at Home order on March 19, the District has been responding to ever changing orders from state, county and federal officials. The District established a virtual Emergency Operations Center and coordinated efforts with the SDCWA and North County wastewater agencies.

General Manager Pruiim stated that on April 2 the District moved to a teleconferencing format for all Board and Committee meetings. The District's public lobby has been closed

to the public since March 19 which impacts the Engineering and Customer Service departments who are working with customers remotely. Cleaning and disinfection was enhanced and staff who could easily work remotely were sent home to do so. The Operations & Maintenance staff were divided in half working alternating weeks to avoid spread of COVID-19. Physical distancing and use of facial coverings when physical distancing is not possible were implemented and, more recently, measures to take employees' temperatures were put in place. To date no employees have exhibited COVID-19 symptoms or had temperatures over 100.4 degrees which would require them to be sent home.

General Manager Pruim further stated the District's reopening plan calls for the Engineering counter to open to the public by appointment only later this month and then opening to the public by mid-July, depending on what the county dictates. The reopening of the Customer Service counter will take place at a slower pace as many more people come to that counter than the Engineering counter. Signs will be posted to alert the public as to what the District is doing to keep them safe, and what is and isn't allowed. The District will start to resume traditional Board meetings when the county health officials allow in-person meetings; however, the teleconferencing option will still be made available to vulnerable persons. All Operations and Maintenance employees were called back to work with the current restrictions on June 1. Staff that have been telecommuting will begin to be phased back into the office mid-June, but not all at once. Staff travel will be restricted for COVID-19 and budget reasons.

General Manager Pruim noted that Risk Management Supervisor Woolslayer obtained facial shields and 8,000 disinfecting wipes from the county, as well as some N95 respirators. The District also received two automatic temperature scanners which will relieve staff that has been assigned to take employees' temperatures upon entering District buildings.

General discussion took place.

This item was presented for information only.

## REPORTS

### GENERAL MANAGER

General Manager Pruim stated bid opening for the San Marcos Sewer Interceptor Project took place on May 28. Ten bids were received for the large project ranging from \$6.6 Million up to \$10.2 Million. The lowest bid was slightly above the Engineer's Estimate.

General Manager Pruim thanked the Board and the Finance Committee for their patience during the budget process.

DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin commented on a 2015 decision regarding 1090 conflicts of interest that impacted independent contractors, particularly design companies in that if they designed or participated in the preparation of contracts, they couldn't participate in the subsequent contract under design build or lease back scenarios. The courts and the Fair Political Practices Commission have been working to scale back on this, and a recent 1090 letter was released which may be of interest to the Engineering staff.

SAN DIEGO COUNTY WATER AUTHORITY

President Evans stated the Board met on May 28 during which a public hearing for the rate increase was scheduled on June 25. Much discussion took place regarding how to handle the matter as the Metropolitan Water District (MWD) had a significant rate increase of almost 9%. The SDCWA is looking at a 6.3% overall rate increase. There has been an effort to get MWD to delay their rate increase and review their budget again in September to determine if there is an opportunity to lower rates. If that were to happen, the SDCWA would consider passing any changes on to SDCWA member agencies.

ENCINA WASTEWATER AUTHORITY

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

Director Martin stated the Board met on May 27 at which the Board was provided an overview of the upcoming budget.

STANDING COMMITTEES

None.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Martin reported on his attendance to the San Diego North Economic Development Council's virtual Annual Economic Summit on May 27.

OTHER BUSINESS

None.

---

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Martin commended General Manager Pruim for the great job he's been doing throughout the COVID-19 pandemic.

ADJOURNMENT

There being no further business to discuss, President Evans adjourned the Regular Meeting of the Board of Directors at the hour of 6:47 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, June 17, 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 Pruim, Secretary  
Board of Directors  
Vallecitos Water District