

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, JULY 1, 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
District Engineer Gumpel
Finance Manager Owen
Operations & Maintenance Manager Pedrazzi
Capital Facilities Senior Engineer Morgan
Development Services Senior Engineer Scholl
Asset Management Supervisor Bowman
Public Information Representative Urabe
Administrative Secretary Johnson

ADOPT AGENDA FOR THE REGULAR MEETING OF JULY 1, 2020

20-07-01 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, to adopt the agenda for the Regular Board Meeting of July 1, 2020.

PUBLIC COMMENT

None.

PRESENTATION

President Evans presented Lisa Urabe, Public Information Representative, with an e-copy of her Master Gardener Certificate from the University of California, Cooperative Extension.

CONSENT CALENDAR

20-07-02 MOTION WAS MADE by Director Sannella, seconded by Director Hernandez, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Closed Session Board Meeting – June 17, 2020
- B. Regular Board Meeting – June 17, 2020

- 1.2 Warrant List through July 1, 2020 - \$1,082,781.67
- 1.3 Request for Annexation of Certain Property Designated as "Sunrise Orix," APN 228-312-10, Into the Vallecitos Water District and Sewer Improvement Districts 1, 2, 5, 6 & A (Sunrise Gardens Project Owner, LLC)
- 1.4 Approval of Construction Agreement for El Dorado Apartments Offsite Water and Sewer Improvements, APNS 220-100-08, 220-100-09, 220-100-10, 220-100-12, 220-100-14, 220-100-29, 220-100-56, 220-100-59, 220-100-62 & 220-100-66 (El Dorado II, LP)
- 1.5 Approval of As-Needed Engineering Services Agreements for Fiscal Year 20/21 and 21/22

ACTION ITEMS

ENCROACHMENT AGREEMENT WITH OLIVENHAIN MUNICIPAL WATER DISTRICT FOR THE INSTALLATION, USE, MAINTENANCE AND REPAIR OF RADIO COMMUNICATION FACILITIES

General Manager Pruiim stated Olivenhain Municipal Water District (OMWD) is in the process of converting their entire meter reading program to automated metering infrastructure which will enable OMWD to read all of their water meters without sending personnel out into the field. Individual Advanced Metering Infrastructure (AMI) water meters transmit usage data to a regional collector antenna which in turn transmits the data to a centralized receiving facility. Numerous collector antennas are required to collect all of the data. The ideal location for a collector antenna in OMWD's most recent phase of their conversion is at the District's Double Peak Tank located at 931 Double Peak Drive in San Marcos.

General Manager Pruiim further stated OMWD's facilities would consist of a tower, an antenna mounted on the tower, and a base station radio cabinet at the base of the tower. The District already has an antenna tower at the Double Peak Tank site; however, OMWD's tower will not interfere with the District's communication needs. There are no environmental concerns associated with the installation of the tower at the site.

Staff recommended the Board approve the encroachment agreement with OMWD for the installation, use, maintenance, and repair of radio communication facilities on the Double Peak Tank site.

General discussion took place regarding the size of the tower to be installed and the anticipated installation date. OMWD's tower will be the same size as the District's existing tower. Construction will likely begin within the next few weeks and will take a few days to complete. General Manager Pruiim stated a joint press release will be issued on July 2, 2020 provided the Board approves the encroachment agreement.

- 20-07-03 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, to authorize the execution of an encroachment agreement with OMWD for the installation, use, maintenance, and repair of radio communication facilities on the Double Peak Tank site.

REPAIR OF 16" FAILSAFE OUTFALL SEWER PIPELINE

Asset Management Supervisor Bowman provided background information on the Failsafe Outfall Sewer Pipeline and its function, and facilitated a presentation on the repair of the pipeline as follows:

- Existing Meadowlark Reclamation Facility (MRF) Treatment Process
- MRF Outlet Piping
- Failsafe Pipeline Alignment
- Failsafe Pipeline Reaches
- Failsafe Pipeline Buena Reach Repair Locations
- Total Repair Costs
- Next Steps

Asset Management Supervisor Bowen stated the Failsafe Outfall Sewer Pipeline is a shared asset among Buena Sanitation District (BSD), the City of Carlsbad and Vallecitos, and consists of three sections, or reaches. Through cost sharing agreements, Vallecitos is responsible for operating and maintaining the pipeline; however, incurred costs are distributed among the agencies at different percentages based on capacity. Vallecitos is responsible for 100% of the San Marcos Reach. The Buena Reach is shared 50/50 with BSD and Vallecitos, and the Carlsbad Reach shared costs are split between the three agencies.

Asset Management Supervisor Bowen discussed two recent breaks that occurred in the Buena Reach of the Failsafe pipeline: one on April 1 and another on April 11. Recycled water was spilled, not sewer, during both breaks; therefore, no public notification or sampling was required. Cass Construction was hired to assist with the repairs as staff was unable to perform repairs primarily due to the depth and equipment required. The cost to repair the two breaks is \$173,730.25 plus an additional \$4,105.28 for landscape replacement for a total of \$177,835.83 which will be shared 50/50 with BSD. Vallecitos will pay the invoices and will seek reimbursement from BSD per the shared agreement.

Asset Management Supervisor Bowen further stated that recent repairs such as these have demonstrated a significant need to improve the condition of the Failsafe pipeline. A Capital Improvement Program project budgeted for FY 20/21 will be accelerated to install access points to provide access to the pressurized system to rehabilitate, repair, and/or replace sections of the Failsafe pipeline.

General discussion took place.

Staff recommended the Board approve payment to Cass Construction in the amount of \$157,180.25 for the April 1 and April 11 events.

Mike Hunsaker, member of the public, addressed the Board expressing his concerns regarding the amount of wastewater treatment during rain events, MRF's capacity, the condition of the San Marcos Reach and raw sewage, and he asked how treatment is facilitated during a deluge.

District Engineer Gumpel responded to Mr. Hunsaker's concerns.

20-07-04 MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried unanimously, to approve payment to Cass Construction in the amount of \$157,180.25.

REPORTS

GENERAL MANAGER

General Manager Pruim stated plans were made to bring the administrative employees who are still telecommuting during the COVID-19 pandemic back to the office on July 6. Due to rising cases, California and San Diego County are slowing their reopening, and the District will delay the employees' return until July 13. That date may change if conditions worsen or stay the same. Telecommuting staff are continuing to produce good work. All operations staff are back at work.

DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin stated the Fair Political Practices Commission (FPPC) issued an amendment clarifying when public officials are required to identify financial conflicts of interest during meetings. The amendment is in response to situations where officials were leaving public meetings prior to an item being called, from the FPPC's perspective, in order to avoid making the disclosure. The regulations have been amended to clarify that if an official is at a meeting and leaves before the item is considered, the official must make their disclosure regarding their financial conflict of interest before they leave. If an official comes late to a meeting after an item has been heard, they must disclose on the record that they had a financial conflict on an item already considered. The only way to avoid making a financial conflict disclosure is to be absent from the entire meeting.

SAN DIEGO COUNTY WATER AUTHORITY

President Evans stated the Board met on June 25 during which the Board took action on the following:

- Performance evaluations were conducted for the General Manager and General Counsel. Contracts for both were extended under the current terms and conditions with no change in compensation.
- The Board approved SDCWA's overall rate increase for FY 20/21 of 4.8% which is less than anticipated and an \$80 million draw from the rate stabilization fund over the next two years. Key points included: 94% of the rate increase is direct pass-through expenses from Metropolitan Water District (MWD); MWD's Board has indicated they will reconsider their rates and charges again in September, and the SDCWA will also review their rates at that time and will immediately put discounted rates into effect if they occur; the desal funding shortfall has allowed the SDCWA to delay and defer dredging expenses; a hiring freeze is in place; and no travel or conferences are allowed.
- The Board approved the issuance of water revenue refunding bonds to refund certain outstanding debt.

Lani Lutar, consultant to the MWD, addressed the Board stating that she wished to clarify confusion over MWD's rate increase. During FY 18/19 water sales for MWD were at their lowest in 40 years resulting in the collection of nearly \$200 million less than budgeted which would have resulted in a rate increase proposal of 8% to 12%. MWD staff initially proposed a 5% increase for FY 20/21 and FY 21/22. The Board approved increases of 3% in FY 20/21 and 4% in FY 21/22.

ENCINA WASTEWATER AUTHORITY

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

STANDING COMMITTEES

Director Sannella reported that the Finance/Investment Committee met on June 29 during which the Committee heard a presentation regarding the annual audit and how it will focus on COVID-19 related impacts to revenue. General Manager Pruiim stated the Committee also discussed the overhead rate which will be presented at the July 15 Board meeting.

Director Martin reported on the June 30 Hillside Property Ad Hoc Committee meeting. There are no nesting gnatcatcher birds on the property. Consultant Rick Gittings is gathering information on grading. Director Hernandez stated that Mr. Gittings is also reviewing an analysis of the District's existing property sites for the mitigation of sage.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Directors Hernandez and Martin reported on their participation in a California Special Districts Association virtual happy hour, "Beers with Peers."

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

President Evans suggested inviting the SDCWA to provide a presentation on their energy management policies at a future Board meeting in September or October. She also requested that there be only one Board meeting held in August if possible.

ADJOURNMENT

There being no further business to discuss, President Evans adjourned the Regular Meeting of the Board of Directors at the hour of 6:02 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, July 15, 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 Pruum, Secretary
Board of Directors
Vallecitos Water District