

**PURSUANT TO EXECUTIVE ORDERS ISSUED BY GOVERNOR NEWSOM,
ONE OR MORE BOARD MEMBERS MAY PARTICIPATE IN THE MEETING
VIA TELECONFERENCE**

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, MAY 5, 2021, AT 5:00 P.M.
VIA TELECONFERENCE

NOTICE TO THE PUBLIC

Due to the evolving situation with the COVID-19 Novel Coronavirus, so long as state or local public health officials have imposed or recommended social distancing measures Vallecitos Water District will hold future meetings via teleconferencing and allow members of the public to observe and address the meeting telephonically or otherwise electronically. During this period of time, Vallecitos Water District will not be making any physical location available for members of the public to observe the meeting and offer public comment. The public is encouraged to watch and participate in the meeting from the safety of their homes. The meeting can be viewed on the agenda page located on the main page of the District's website. Public comments or questions can be submitted to the following email address: PublicComment@vwd.org. All written comments that are received at least 90 minutes before the meeting will be provided to the Board, and a record of the receipt of comment will be noted during the meeting. Members of the public viewing the meeting via the Zoom videoconferencing platform can express their desire to provide input at the appropriate time by utilizing the "Raise Hand" function. Additional instructions for online participation will be posted on the District's website. www.vwd.org/meetings

CALL TO ORDER – PRESIDENT SANNELLA

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 MAY 5, 2021

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. Alternatively, persons wishing to address the Board at this time may utilize the "Raise Hand" feature of the Zoom videoconferencing platform. 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.

PRESENTATION

David Drake, representing the ACWA/JPIA, will present Vallecitos Water District with a refund check due to the District's low insurance claims history.

CONSENT CALENDAR

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.

1.1 APPROVAL OF MINUTES (pp. 5-18)

- A. FINANCE/INVESTMENT COMMITTEE MEETING – APRIL 12, 2021
- B. ENGINEERING/EQUIPMENT COMMITTEE MEETING – APRIL 19, 2021
- C. REGULAR BOARD MEETING – APRIL 21, 2021
- D. FINANCE/INVESTMENT COMMITTEE MEETING – APRIL 26, 2021

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

1.2 WARRANT LIST THROUGH MAY 5, 2021 - \$3,183,755.96 (pp. 19-21)

Recommendation: Approve Warrant List

1.3 OPERATIONS & MAINTENANCE METRICS QUARTERLY REPORT – MARCH 31, 2021 (pp. 22-29)

1.4 APPROVAL OF CONSTRUCTION AGREEMENT FOR VILLA SERENA PHASE 1 OFF-SITE SEWER IMPROVEMENTS APN 220-112-09, 220-112-27, 220-112-28 & 220-100-63 (VS PHASE 1 LP) (pp. 30-45)

The project is located on Richmar Avenue between Liberty Drive and Marcos Street.

Recommendation: Approve Construction Agreement

1.5 FINAL ACCEPTANCE OF VINEYARD ROAD SEWER OFF-SITE IMPROVEMENTS (WARMINGTON RESIDENTIAL CA, INC.) (pp. 46-49)

The improvements are located on Vineyard Road south of Borden Road.

Recommendation: 1) Accept the Project Off-Site Improvements; 2) Approve the filing of a Notice of Completion

1.6 MUTUAL AID AGREEMENT (pp. 50-63)

The Mutual Aid Agreement would provide the District with access to additional resources in emergencies.

Recommendation: Authorize the General Manager to Enter Into the Mutual Aid Agreement

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

ACTION ITEM(S)

2.1 AWARD OF AS-NEEDED TASK ORDER FOR THE MEADOWLARK WATER RECLAMATION FACILITY (MRF) PROJECT MANAGER STAFF EXTENSION (pp. 64-67)

Staff extension will work with existing project consultants, contractors and District staff to assist with numerous active Capital Improvement Projects at the MRF.

Recommendation: Authorize the General Manager to execute a Task Order with Black & Veatch in the amount of \$149,567

2.2 WATER SUPPLY CONDITIONS UPDATE (pp. 68-69)

Staff will provide a monthly update on the water supply conditions.

Recommendation: For information only

2.3 SAN MARCOS STATE OF THE CITY ADDRESS (pp. 70-72)

The San Marcos Chamber of Commerce is soliciting sponsorships for the State of the City Address.

Recommendation: Request Board direction

*****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

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, April 30, 2021.

Diane Posvar

MINUTES OF A MEETING OF THE
FINANCE/INVESTMENT COMMITTEE
OF THE VALLECITOS WATER DISTRICT
MONDAY, APRIL 12, 2021 AT 2:00 P.M.
VIA TELECONFERENCE

Director Sannella called the meeting to order at the hour of 2:00 p.m. The meeting was held via teleconference.

Present: Director Boyd-Hodgson
Director Sannella
Director Elitharp
General Manager Pruim
Administrative Services Manager Emmanuel
District Engineer Gumpel
Finance Manager Owen
Operations & Maintenance Manager Pedrazzi
Accounting Supervisor Rathsam
Executive Secretary Posvar
Administrative Secretary Johnson

ITEM(S) FOR DISCUSSION

PRELIMINARY SALARIES AND BENEFITS

Finance Manager Owen provided an overview of the budget process to date and presented preliminary payroll and staffing estimates. For Projected vs. Budget FY 2020/21, salaries are projected to be under budget by \$100,000. Total salaries and benefits are projected to increase by \$58,000, mainly due to an increase of \$143,000 in PERS. For Projected vs. Actual Budget for FY 2019/20 there is a decrease of \$301,353 in salaries mainly due to employee turnover and retirements. Total salaries and benefits are projected to decrease by \$660,448 as benefits are projected to be \$359,095 lower than last year due to lower PERS and group insurance costs. For Budget vs. Budget a \$189,000 (1.79%) increase in salaries over last year is projected. Total salaries and benefits are projected to increase by \$295,000 mainly due to increased group insurance costs. The number of authorized positions has remained steady at 108.75 for the past several years.

General discussion took place regarding the Assistant General Manager (AGM) position and an Accounts Analyst position. The budget projections include nine months of funding for the AGM position and no funding for an Accounts Analyst position. Director Sannella requested staff present salary and benefits projections without both positions, with both positions, and with the Accounts Analyst only. Director Boyd-Hodgson requested more information on budgeted vs. actual Board expenses.

Finance Manager Owen presented information on Directors' salaries and benefits excluding travel expenses. He noted there was a large increase in group insurance costs over last year. Total salaries and benefits are projected to increase by \$1,000 over last year. Director Sannella requested staff provide information on whether other agencies provide full benefits to part-time employees such as Board members.

Finance Manager Owen reviewed the Operating Budget – Salaries and Benefits and Full Time Equivalent Employees, noting that salaries and benefits have remained steady over the past five years. The number of full-time positions decreased from 115.5 in FY 2014/15 to 107.75 in FY 2017/18 and have remained steady over the last four years. The District has kept staffing levels low even as the number of customers and service needs are increasing.

PRELIMINARY CAPITAL IMPROVEMENT PROGRAM

Finance Manager Owen reviewed an example of a capital budget page that is associated with each Capital Improvement Program (CIP) project. The capital budget page contains project information including a description, project manager, project number, the department responsible for the project, funding source, comments, spending plan, and timeline.

Finance Manager Owen reviewed the draft CIP comprehensive project list which includes carryover projects from the previous year that have not been completed and new requests.

District Engineer Gumpel discussed requests for budget increases for carryover projects totaling \$5 million which included the Meadowlark Failsafe Rehabilitation-Buena Reach (\$1.8 million), 16-Inch Emergency Bypass Pipeline Rehabilitation (\$1.2 million), and Ductile Iron Pipe Condition Assessment (\$695,000).

Finance Manager Owen reviewed the five-year spending plan. He noted that the Board will be asked to consider only a one-year budget. The CIP for FY 2021/22 carryforward projects is projected to be \$23.4 million, a \$6.5 million increase from last year. The increase is mainly due to major projects including the Montiel Lift Station and Forcemain Replacement (\$4.3 million) and City of San Marcos Creek District Phase 1 (\$2.4 million). District Engineer Gumpel provided details about the projects.

Finance Manager Owen reviewed new project requests for FY 2021/22 totaling \$63.9 million. Included in that amount are the Encina Wastewater Authority Five Year Plan (\$32.2 million), and future projects (\$27 million) which serves as a placeholder in the five and ten year reserve projections. The largest new project is the Camino de Amigos Sewer Replacement (\$1.3 million). District Engineer Gumpel provided details on that project. The total ten-year CIP budget for FY 2021/22, including carryover projects and new requests, is projected to be \$136.7 million, down from \$144.9 million last year.

Finance Manager Owen discussed the requests for vehicle and equipment replacement totaling \$662,000 which includes replacement of two construction vehicles, a Kenworth T370 truck with service body (\$230,000) and a vacuum excavator (\$165,000). Operations & Maintenance Manager Pedrazzi provided details on the vehicles to be replaced.

Finance Manager Owen reviewed the tentative budget calendar as follows:

- April 26 (Committee Meeting) – Cost of Service Study update; debt issuance discussion; discuss Board requested items
- May 3 (Committee Meeting or Board Workshop) – Review draft proposed budget; discuss Board requested items
- May 19 (Board Workshop) – First review of proposed budget

- June 2 (Board Meeting) – Approval of recommended budget

General discussion took place. Director Sannella asked when the budget process will tie into the rate adjustment process. Finance Manager Owen stated that when the draft budget is presented to the Committee and Board, it will not include a rate increase and will show the status of the revenue requirements, reserves, days in cash, etc. The Committee and Board will have an opportunity at that time to consider cutting expenses, use of reserves or increasing rates if necessary. General Manager Prum noted that when increasing costs from outside entities such as the San Diego County Water Authority, Encina Wastewater Authority, electricity, and insurance are considered, it is highly unlikely that a budget with no rate increase is possible without seriously impacting service levels.

The consensus of the Committee was to schedule a Board budget workshop on or around May 3, subject to the Board's availability, to review the draft proposed budget.

DEBT ISSUANCE

Finance Manager Owen stated staff has begun discussions with the District's financial advisors and bond counsel regarding possible debt issuance, a five to six month process. Interest rates would not be officially locked in until the fourth month. Staff suggested inviting the financial advisors to the next Finance Committee meeting to discuss the process.

Gayle Martin, member of the public, requested the Committee consider adopting resolutions of intent to incur debt, and that all financial information be made available to rate payers at the same time Committee and Board meeting agendas are made available to make it easier for the public to follow along in the discussions.

OTHER BUSINESS

None.

PUBLIC COMMENT

None.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at the hour of 3:38 p.m.

MINUTES OF A MEETING OF THE
ENGINEERING/EQUIPMENT COMMITTEE
OF THE VALLECITOS WATER DISTRICT
MONDAY, APRIL 19, 2021 AT 3:00 P.M.
VIA TELECONFERENCE

Director Elitharp called the meeting to order at the hour of 3:00 p.m.

Present: Director Hernandez
Director Elitharp
General Manager Pruiim
District Engineer Gumpel
Capital Facilities Senior Engineer Morgan
Capital Facilities Engineer Santos
Asset Management Supervisor Bowman
Executive Secretary Posvar
Administrative Secretary Johnson

ITEM(S) FOR DISCUSSION

SAN ELIJO HILLS AND LAND OUTFALL CONDITION ASSESSMENT UPDATE

Asset Management Supervisor Bowman stated the ductile iron pipeline condition assessment in San Elijo Hills is scheduled to begin next month. The assessment will be conducted over a four-week period and will include soil corrosivity testing, potholing in select areas, and leak detection of 25 miles of pipeline throughout the community. Staff will be providing a presentation regarding the assessment at the San Elijo Hills HOA meeting on April 20 at 6:00 p.m. A virtual meeting is scheduled for April 27 at 6:00 p.m. to provide more information to the community and another meeting will be scheduled prior to the start of the leak detection activities as brief shutdowns will occur during that time. Appropriate notice of the shutdowns will be given.

Asset Management Supervisor Bowman further stated the Land Outfall Condition Assessment is scheduled to begin toward the end of May. The assessment will be conducted over a two-week period using CCTV and sonar technologies to assess the condition of the primarily steel pipe. The assessment is a joint effort between the District, Buena Sanitation District and the City of Carlsbad, and will be conducted at night to take advantage of lower flows that occur at night. Staff is coordinating public outreach with the City of Carlsbad. Staff is preparing a letter agreement of the cost sharing and work to be performed as funding for the assessment is shared between the three agencies.

MRF PROJECTS OVERVIEW

Capital Facilities Senior Engineer Morgan provided an overview of six upcoming CIP projects at the Meadowlark Reclamation Facility (MRF) that are in various stages of design and construction. The projects are anticipated to be completed within the next two to three years, will require the services of multiple outside contractors, and include:

- Headworks Auger Replacement
- Aeration Basins & Bio Selector
- Tertiary Structural Improvements and Coating
- #1 Odor Scrubber Replacement
- Conversion to Sodium Hypochlorite Chlorine Building
- Chlorine Contact Tank Expansion

CONSULTANT PM AWARD FOR MRF WORKLOAD

Capital Facilities Senior Engineer Morgan stated the planned projects at MRF over the next several years will take significant staff time away from other priority projects. To better manage the MRF workload, staff solicited interest for Staff Extension Services from consultants on the District's Engineering As-Needed List to assist staff with project management for an average of 20 hours per week. Black & Veatch was selected due to their experience with treatment plants and availability of a project manager.

Capital Facilities Senior Engineer Morgan further stated funding for the MRF Staff Extension Services will be funded in the current fiscal year directly through the individually budgeted CIP projects at MRF. Funds will be allocated each fiscal year accordingly within the CIP for Staff Extension Services. Staff is proposing only the first phase which extends from May through June 2021 and FY 2021/22 at a cost not to exceed \$149,567 and would evaluate the services after the first year. Subsequent years would be presented to the Board for approval.

The Committee supports staff's recommendation to bring this item to the Board for approval.

VWD/VID ANNEXATION AREA DISCUSSION

District Engineer Gumpel stated the Vista Irrigation District (VID) has requested four of their customers currently receiving water service from connections to the VID flume be removed from the flume and annexed into the Vallecitos Water District. VID has offered to pay the water annexation fees (\$31,982.92) as well as the District's capital facility fees (\$43,643.00). The customers would be subject to Temporary Off-Site Water Service Agreements as the new meters would not be directly along the frontage of each parcel. After reviewing the proposal, staff determined that the offer is fair and would provide better water pressure and more consistent service to the customers. VID is trying to remove direct customers from the flume to give VID more options to pressurize the flume in the future to make it more of a transmission main to gain more capacity in it. Staff would like to present this item to the Board for approval to move forward with the annexation and off-site agreements.

The Committee supports staff presenting this item to the Board.

LADY BUG LANE EXTENSION AND OFF-SITE AGREEMENT DISCUSSION

District Engineer Gumpel discussed a complex situation where a property owner on Lady Bug Lane is proposing to build a new 3,000 square foot residence and is calling the existing 750 square foot residence an Accessory Dwelling Unit. The property is currently on a Temporary Off-Site Water Service Agreement which stipulates that construction of a new home would void the agreement and they would have to get a water line extension to their property. The adjacent property also has a Temporary Off-Site Water Service Agreement which requires them to participate in the line extension, would cancel their temporary agreement, and their meter would have to be relocated to the new water main. The temporary agreements date back to 1990. There is a good chance that the property owners are unaware of this situation. This item was brought to the Committee for discussion as there will be more situations like this in the future.

General discussion took place on how this and similar situations should be handled. District policy would require the line extension. In the past (1990's to early 2000's) the policy was not always enforced as temporary agreements were often missed; however, with the modern technologies used today, this no longer happens. Issues to be considered include the cost to the property owners and fire flow concerns.

Staff will look at available options and contact the property owners regarding District policy regarding the line extension.

OLIVE STREET OFF-SITE DISCUSSION

District Engineer Gumpel stated that as part of the Papp-Lundblade Annexation near Olive Street, approved by the Board on August 19, 2020, the property owners of APNs 182-101-43 and 182-101-44 will be required to construct a new water main along the private road fronting their properties which will trigger removal of existing Temporary Off-Site Water Service Agreements with several nearby properties. APN 182-101-29 has an off-site meter, but no temporary agreement has been found. APN 182-101-22 may have been split in two at some point and has a VWD meter that serves a nursery on the property. APN 182-101-30 is served by VWD via an existing exchange agreement with VID that does not require VID or the property owner to pay to have the service relocated.

District Engineer Gumpel presented three options for discussion to resolve this situation:

- 1) Allow the installation of the Papp-Lundblade water main without relocating the existing off-site meters.
- 2) Require the property owners of APNs 182-101-29 and 30 to relocate their off-site meters to the new main at their expense to follow District policy; however, the agreements do not fully support this option and enforcement may be challenged by the property owners.
- 3) Since it may be desirable to achieve compliance with District policy, require the Papp-Lundblade owners to relocate the off-site meters as part of their construction with District reimbursement to the owners for this additional work.

General discussion took place. The Committee favored Option 3 as the reimbursement to the property owners would not be excessive. Staff will work with the annexation property owners to set up a reimbursement agreement.

CIP QUARTERLY UPDATE

Capital Facilities Senior Engineer Morgan provided a FY 2020/21 Third Quarter CIP update which included the following projects:

- San Marcos Interceptor Phase 2
- Emergency Bypass Rehabilitation
- MRF Failsafe Rehabilitation – Buena Reach
- Sage Canyon Tank Refurbishment

OTHER BUSINESS

None.

PUBLIC COMMENT

None.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at the hour of 4:32 p.m.

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, APRIL 21, 2021, AT 5:00 PM, VIA TELECONFERENCE

President Sannella called the Regular meeting to order at the hour of 5:00 p.m.

Present: Director Boyd-Hodgson
Director Elitharp
Director Hernandez
Director Pennock
Director Sannella

Staff Present: General Manager Pruim
Legal Counsel Gilpin
Administrative Services Manager Emmanuel
Finance Manager Owen
Operations & Maintenance Manager Pedrazzi
Capital Facilities Senior Engineer Morgan
Public Information/Conservation Supervisor Robbins
Wastewater Treatment Plant Supervisor McDougle
Systems Administrator Drummond
Executive Secretary Posvar

Director Elitharp led the pledge of allegiance.

ADOPT AGENDA FOR THE REGULAR MEETING OF APRIL 21, 2021

21-04-07 MOTION WAS MADE by Director Elitharp, seconded by Director Hernandez, and carried unanimously, to adopt the agenda for the Regular Board Meeting of April 21, 2021.

PUBLIC COMMENT

President Sannella acknowledged written comments that were received from Gayle Martin, member of the public, and provided to the Board.

CONSENT CALENDAR

21-04-08 MOTION WAS MADE by Director Hernandez, seconded by Director Boyd-Hodgson, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Public Awareness/Personnel/Policy Committee Meeting – April 5, 2021
- B. Closed Session Board Meeting – April 7, 2021
- C. Regular Board Meeting – April 7, 2021

1.2 Warrant List through April 21, 2021 - \$3,292,003.95

1.3 Financial Reports

- A. Water Meter Count – March 31, 2021
- B. Water Production/Sales Report – 2020/2021
- C. Quarterly Financial Report – March 31, 2021
- D. Per Capita Water Consumption – March 31, 2021
- E. Water Revenue and Expense Report – March 31, 2021
- F. Sewer Revenue and Expense Report – March 31, 2021
- G. Reserve Funds Activity – March 31, 2021
- H. Investment Report – March 31, 2021
- I. Legal Fees Summary – March 31, 2021

Director Boyd-Hodgson left the meeting at 5:05 p.m.

ACTION ITEM(S)

NAMING THE OFFICE AND LABORATORY BUILDING AT THE MEADOWLARK RECLAMATION FACILITY

Public Information/Conservation Supervisor Robbins stated the District has a history of naming facilities and structures after landmarks or individuals such as the Mahr Reservoir, named after former 35-year Board member Stanley A. Mahr. He provided background information on Wastewater Treatment Plant Supervisor Dawn McDougle's 30-year service, accomplishments, and contributions to the District. She has been the Wastewater Treatment Plant Supervisor since 2000 and played a major role in the design, expansion, and upgrade of the Meadowlark Reclamation Facility (MRF). Under her leadership, MRF and the District have received numerous awards.

Public Information/Conservation Supervisor Robbins further stated Wastewater Treatment Plant Supervisor McDougle plans to retire at the end of this year. He proposed naming the office and laboratory building at MRF in her honor upon her retirement and presented a video documenting her career with the District.

Wastewater Treatment Plant Supervisor McDougle received accolades from the Board and staff. She thanked the Board and staff and expressed her appreciation for being honored in this manner.

21-04-09 MOTION WAS MADE by Director Hernandez, seconded by Director Elitharp, and carried 4 – 0, with Director Boyd-Hodgson absent, to name the office and laboratory building at the Meadowlark Reclamation Facility “The Dawn McDougle Building” in her honor upon her retirement.

REPORTS

GENERAL MANAGER

General Manager Pruim reported the following:

- Governor Newsom declared a drought emergency today in Sonoma and Mendocino Counties in northern California. There is no immediate impact to the District at this time. Staff will be developing drought and conservation messaging. Monthly reports on the status of drought conditions will be provided to the Board.
- A virtual event is scheduled for April 27 at 6:00 p.m. to discuss the District's asset management program and the pipeline condition assessment that will be performed in the San Elijo Hills community.

DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin stated that actions pertaining to the San Diego County Water Authority's settlement agreement are scheduled to take place tomorrow.

SAN DIEGO COUNTY WATER AUTHORITY

Director Elitharp stated the Board meeting is scheduled for April 22.

ENCINA WASTEWATER AUTHORITY

Director Hernandez reported on his attendance to the Capital Improvement Committee meeting. The budget for fiscal year 2022 has been reduced overall by 16%. The budget will be presented to the full Board next week.

President Sannella reported on his attendance to the Policy and Finance Committee meeting at which the budget was discussed. EWA is considering paying \$4 million during the next fiscal year toward their pension liability and are planning to add a new training specialist position. Labor is projected to increase by 2.6%.

STANDING COMMITTEES

Director Elitharp reported on the April 19 Engineering/Equipment Committee meeting. Agenda items included an update on the San Elijo Hills and Land Outfall Condition Assessment, MRF projects overview, a consultant project management award for the MRF workload, discussion of the District and Vista Irrigation District annexation area, discussion of off-site agreements for Lady Bug Lane and Olive Street, and a Capital Improvement Program quarterly update. The items will be presented to the Board for further discussion.

President Sannella reported on the April 12 Finance/Investment Committee meeting. Items discussed included salaries and benefits, capital projects, and debt issuance.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Hernandez reported on his attendance to the virtual Council of Water Utilities (COWU) meeting on April 20.

Director Pennock stated he received sexual harassment prevention training on April 20.

Director Elitharp reported on his attendance to the virtual COWU meeting, a speakers' bureau event with the Escondido Sunrise Rotary Club on April 8, and the San Diego North Economic Development Council's Economic Summit on April 13.

Director Boyd-Hodgson rejoined the meeting at 5:45 p.m.

Director Boyd-Hodgson stated she received sexual harassment prevention training on April 20.

OTHER BUSINESS

QUARTERLY BOARD EXPENSES

This information was provided per Ordinance No. 216; no action required.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

President Sannella commented on staff's presentation at the San Elijo Hills Homeowners Association meeting on April 20.

ADJOURNMENT

There being no further business to discuss, President Sannella adjourned the Regular Meeting of the Board of Directors at the hour of 5:48 p.m.

A Regular Meeting of the Vallecitos Board of Directors has been scheduled for Wednesday, May 5, 2021, at 5:00 p.m. via teleconference.

Michael A. Sannella, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruum, Secretary
Board of Directors
Vallecitos Water District

MINUTES OF A MEETING OF THE
FINANCE/INVESTMENT COMMITTEE
OF THE VALLECITOS WATER DISTRICT
MONDAY, APRIL 26, 2021 AT 2:00 P.M.
VIA TELECONFERENCE

Director Sannella called the meeting to order at the hour of 2:00 p.m. The meeting was held via teleconference.

Present: Director Boyd-Hodgson
Director Sannella
General Manager Pruim
Finance Manager Owen
Accounting Supervisor Rathsam
Principal Financial Analyst Arthur
Administrative Secretary Johnson

Others Present: Lora Carpenter, Fieldman Rolapp & Associates
Robert Porr, Fieldman Rolapp & Associates
Douglas Brown, Stradling Yocca Carlson & Rauth
John Wright, Raftelis
Arisha Ashraf, Raftelis

ITEM(S) FOR DISCUSSION

DEBT ISSUANCE DISCUSSION

General Manager Pruim stated debt is commonly used by public agencies to finance costly infrastructure projects. The purpose of the discussion was to give the Committee a better understanding of what is involved in the debt issuance process and the cost.

Finance Manager Owen stated debt issuance was included in the approved FY 2020/21 budget in 2022 as part of the five-year plan. Staff has been discussing financing possibilities with the District's financial advisors and bond counsel. The next step is to determine the amount of debt issuance to be considered in the draft FY 2021/22 budget.

Financial Advisor Lora Carpenter of Fieldman, Rolapp & Associates facilitated a presentation on capital funding as follows:

- Introduction
- What Are Bonds?
- Market Update
- Rates Are Still Near Historic Lows
- District Capital Improvement Program (CIP) Needs
- Estimated Debt Profile

- Finance Team
- Estimated Cost of Issuance
- Next Steps

General discussion took place regarding whether adopting a resolution of intent to issue debt as the District has done in the past would be beneficial. Staff has prepared a resolution of intent to issue debt for CIP projects included in the FY 2021/22 draft budget. General Manager Pruim clarified that adopting the resolution would not obligate the District to issue debt; however, it is required for reimbursement for the projects.

Finance Manager Owen stated issuing debt will be used to pay for capacity projects and that \$28 million in debt is included in the draft FY 2021/22 budget for two reasons: rates are at historically low levels; and if debt is not issued in the FY 2021/22 budget, it would reduce wastewater reserves to a very low level by 2023. Waiting until 2023 to issue debt could result in higher interest rates depending on market conditions at that time.

COST OF SERVICE STUDY UPDATE

General Manager Pruim stated the Board approved a Cost of Service Study (COSS) last year; however, it was put on hold when the COVID-19 pandemic started.

Finance Manager Owen stated progress has been made on the COSS, and that John Wright of Raftelis would provide an update to the Committee. Mr. Wright facilitated a presentation, Water Cost of Service Study Update, as follows:

- What is Cost of Service?
- Cost of Service Study Process
 - Revenue Requirement Determination
 - Cost of Service
 - Rate Design
- Cost of Service – Allocation to Cost Components
- Commodity Rate Design
- Study Background and Status
- Study Objectives
- Project Status
- Board Rankings by Score
- Conclusions from Board Rankings
- Project Status
- Rate Structure Discussion
- VWD Existing Rate Structure
- Alternative Rate Structure 1: Tier 1 Modifications
- Alternative Rate Structure 2: Customer Class Rates
- Modifications to Existing Rate Structure
- Next Steps

Finance Manager Owen discussed the next steps in the COSS process. Staff intends to present the COSS to the Board in conjunction with the draft proposed budget. The draft proposed budget has been incorporated into the COSS which provides a rate model staff can use to review the rate structure analysis which will be provided to the Board. It is anticipated that proposed rates will be presented around the same time the budget is approved or shortly thereafter. The Proposition 218 process would begin after the budget is approved.

General discussion took place. Director Boyd-Hodgson requested staff provide information on the number of customers for each meter size and scenarios of how a rate increase would impact different classes of customers.

Gayle Martin, member of the public, stated that her HOA has a 4-inch pipe and is charged a fixed Ready-To-Service rate for commercial. She asked how the classification could be changed to residential. General Manager Pruim clarified that the District's current rate structure is based on meter size, not customer class.

OTHER BUSINESS

None.

PUBLIC COMMENT

Gayle Martin, member of the public, stated her monthly Ready-To-Service charge is \$13 and that she believes the HOA of her community is taking advantage of the residents.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at the hour of 3:45 p.m.

VALLECITOS WATER DISTRICT
WARRANTS LIST
May 5, 2021

PAYEE	DESCRIPTION	CHECK#	AMOUNT
CHECKS			
Garnishments	Payroll Garnishments	121231 through 121232	-
Aaron Han	Closed Account Refund	121233	12.81
ACWA/Joint Powers Insurance	Medical Insurance - May	121234	222,621.33
Adamson Police Products	Traffic Indicator Veh 294	121235	973.03
Adriana & Ben Duret	Closed Account Refund	121236	52.80
Advanced Imaging Solutions, Inc.	Copier Lease - Apr	121237	2,451.32
Airgas USA LLC	Cylinder Rental	121238	181.82
Ambius	Plant Maintenance - Apr	121239	263.00
American Backflow Specialties Inc	Hardware Supplies	121240	50.84
Ammon Stone	Closed Account Refund	121241	9.04
Aqua-Metric Sales Co	2" Meters - 15	121242	13,117.97
AT&T	Internet Svc - Apr	121243	90.24
AT&T	Phone Svc - Mar	121244	2,900.96
Backflow Solutions, Inc.	Backflow Testing Mar - Quantity 339	121245	5,068.05
Boncor Water Systems	Soft Water & Drinking Svc - Apr	121246	1,887.50
Boot Barn	Safety Boots	121247	150.00
Boot World Inc	Safety Boots	121248	150.00
Chandler Asset Management, Inc.	Investment Management Svcs - Mar	121249	3,912.21
Cintas Corporation No. 2	Fire Extinguisher Annual Servicing	121250	7,133.88
Jeffrey Colwell	Video Production Svcs Prj 20211-40	121251	735.00
Corodata Media Storage Inc	Back Up Storage Tape - Mar	121252	185.36
County of San Diego	Recording Fees - Mar	121253	53.00
Custom Truck Body & Equipment, Inc.	Body Swap Veh 221 Prj 20211-32	121254	5,117.44
CWEA	Membership Renewal - C Deering	121255	192.00
CWEA	Membership Renewal - J Woodard	121256	192.00
CWEA	Membership Renewal - J Scott	121257	192.00
DirecTV Inc	Satellite Svc - Apr	121258	211.48
Downstream Services Inc	Closed Account Refund	121259	1,011.08
EDCO Waste & Recycling Serv	Trash Svc - Mar	121260	895.10
Edward Nalacon	Closed Account Refund	121261	121.86
Electrical Sales Inc	Breakers 10 - MRF Aeration Influent Prj 20211-23, Hardware Supplies	121262	495.99
Emcor Service	HVAC Chiller Repair - District HQ	121263	1,835.00
Rhondi Emmanuel	Office Supplies	121264	62.25
Eurofins Eaton Analytical Inc	Car Wash Evaluation	121265	172.50
Fisher Scientific LLC	Lab Supplies	121266	269.93
G & R Auto & Truck Repair Inc	Engine & Sensor Repair Vactor 213	121267	1,331.37
Golden State Graphics	Year In Review Booklet Prj 20211-39	121268	608.79
Haaker Equipment Co.	Repair Svcs Veh 240; Slither Hose For Vactor 213	121269	1,916.13
Hach Company	Sensors 2 - Chlorine Analyzer MRF; Controller - Secondary NTU Meter	121270	10,701.73
Harper & Associates Inc	School House Reservoir - Warranty Inspection	121271	2,881.00
Hub Construction Specialties	Tool Boxes 2 - Veh 295	121272	1,670.88
Infosend Inc	Support Fee, Postage & Printing - Mar	121273	5,557.42
Ivan Murguia	Reimbursement - Shipping Fees	121274	13.21
J W D'Angelo Co Inc	Air Vac Cans & Pressure Regulators - Qty -143	121275	6,958.49
Jennifer Sardo	Closed Account Refund	121276	54.36
JCI Jones Chemicals Inc	Chlorine	121277	4,105.02
Julie & Brad Shupe	Closed Account Refund	121278	10.58
Kaman Industrial Technologies	MRF - Effluent Pump Valve Replacements - 3	121279	14,073.35
Knight Security & Fire Systems	Monitoring, Answering, & Patrol Svc - Apr	121280	656.69
Eileen Koonce	Office Supplies	121281	17.50
Lang Schwartzwald	Closed Account Refund	121282	109.57
Lloyd Pest Control	Pest Control - Apr	121283	72.00
Lynette Wallace or Terry Wallace	Closed Account Refund	121284	18.42
Marcon Products Inc	Manhole Ring & Cover	121285	386.82
Matheson Tri-Gas Inc	Cylinder Rental	121286	67.77
Michael Baker International, Inc.	Montiel Lift Station Prj 20201-2	121287	33,590.00
Mingjun Yang	Closed Account Refund	121288	54.31
Mission Electric Supply, Inc.	Hardware Supplies	121289	111.51
Mission Resource Conservation District	Waterwise Landscape Prj 20211-43	121290	272.50
North County Auto Parts	Fleet Supplies - Mar	121291	2,710.94
NV5, Inc.	MRF Failsafe Rehab Prj 20201-5, Tres Amigos Waterline Prj 20201-3	121292	26,338.50

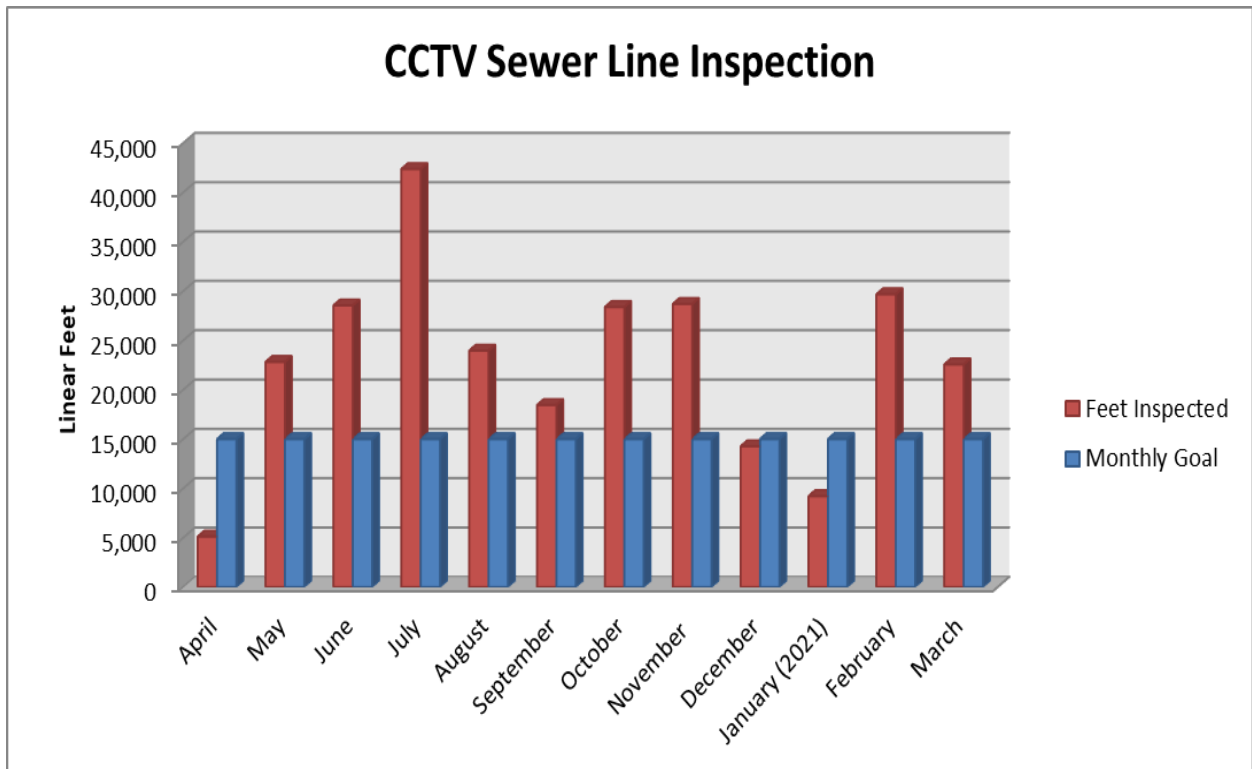
VALLECITOS WATER DISTRICT
WARRANTS LIST
May 5, 2021

PAYEE	DESCRIPTION	CHECK#	AMOUNT
Occu Med Ltd	Medical Svcs - Mar	121293	84.00
Olivenhain MWD	Treated Water - Jan & Mar	121294	107,820.00
Orlando Miramontes	Closed Account Refund	121295	86.85
P8 San Marcos Owner, LLC	Closed Account Refund	121296	60.40
Parkhouse Tire Inc	Warehouse Stock Tires - 4	121297	2,208.78
Patricia Jetton	Closed Account Refund	121298	57.16
Patriot Portable Restroom Inc	Portable Rest Room Rental - Mar & Apr	121299	512.16
Paulo Portes	Closed Account Refund	121300	48.24
Pitney Bowes	Mail System Lease Feb - May	121301	601.80
Quality Hoist & Electric	Hoist Inspection - MRF & Annual Crane Inspections - 13 Units	121302	2,994.00
R & B Automation Inc	Filter Influent Valve Evaluation - MRF	121303	1,520.00
RF Yeager Engineering Inc.	Rancho Coronado Cathodic Protection System Activation	121304	5,800.00
Richard W. Gittings	Hillside Development Jan & Mar & Rincon Reimbursement	121305	3,800.00
Rick Post Welding	6" Pipe Welding Svcs	121306	620.00
Rincon Del Diablo MWD	Calendars & Forms Prj 20211-42	121307	366.89
Rusty Wallis Inc	Soft Water Tank Exchange, Soft Water Tank Svc - Apr	121308	670.00
Safety-Kleen Systems Inc	Parts Washer Rental	121309	437.42
Sally Schifman	Closed Account Refund	121310	14.65
Salsbury Engineering Inc.	Closed Account Refund	121311	833.95
Samantha Andaya	Closed Account Refund	121312	52.15
SDG&E	Power - Mar	121313	73,155.12
SCADA Integrations	SCADA Trouble Shooting & Programming - MRF	121314	1,792.50
Shane Bawronski or Holly Goold	Closed Account Refund	121315	12.81
SHI International Corp.	LED Monitors - 4 Prj 20211-673	121316	4,464.90
Shred-It US JV LLC	Shredding Svcs	121317	150.61
Southern Contracting Company	MRF - Uninterruptible Power Supply Installation Prj 20211-12	121318	59,500.00
Southern Counties Lubricants, LLC	Diesel Fuel	121319	1,516.62
Spatial Wave Inc	GIS System Upgrade	121320	2,960.00
SS Mechanical Construction Corp.	MRF - Biological Selector Improvements Prj 20191-2	121321	11,875.00
State Water Resources Control	Certificate Renewal - D Joiner	121322	80.00
State Water Resources Control	Certificate Renewal - C Deering	121323	150.00
Sunbelt Rentals Inc	Manlift Rental	121324	710.94
Susan Copeland	Closed Account Refund	121325	42.34
San Diego Centre For Organizational Effectiveness	De-escalation Training - 3 Employees	121326	798.00
The Signpost Homes Inc	Closed Account Refund	121327	88.32
Tom Hall	Closed Account Refund	121328	40.32
Traffic Safety Solutions LLC	Traffic Control Prj 20211-11	121329	1,750.00
Traffic Supply Inc	Veh Door Decals & Numbers	121330	2,520.40
Trudie Erb	Closed Account Refund	121331	53.08
Umotech, Inc.	Programming Svcs	121332	570.00
Underground Service Alert	Dig Alert Svc & State Regulatory Costs - Mar	121333	717.60
Univar USA Inc	Caustic Soda	121334	3,666.29
UPS	Shipping Svcs - Mar & Apr	121335	68.10
US Cubed	Flow Meter Calibration & Validation Service	121336	2,272.00
V & A Consulting Engineers Inc	Ductile Iron Pipe Assessment Prj 20201-10	121337	4,003.50
Valley CM Inc	San Marcos Interceptor Prj 71004	121338	82,478.50
Verizon Wireless	Cell Phone Svc - Mar	121339	2,985.83
Waxie Sanitary Supply	Disinfecting Wipes Prj 20211-850, Cleaning Supplies	121340	1,450.39
William T. Hamilton	Closed Account Refund	121341	335.26
Work Partners Occupational Health	Medical Svcs - Feb	121342	970.00
Wright Construction Engineering Corp	Closed Account Refund	121343	2,182.34
Xylem Water Solutions USA, Inc.	Pump - For Chlorine Injection Into Secondary Effluent - MRF	121344	13,467.14
Action Mail	Splash Newsletter Prj 20211-3	121345	7,167.20
Armorcast Products Co	Warehouse Inventory - Meter Lids & Boxes - 434	121346	23,528.46
ASAP Drain Guys & Plumbing	Rest Room Repairs - District HQ	121347	415.00
Boot World Inc	Safety Boots - 2 Pairs	121348	285.73
CCI	Water Treatment - Apr	121349	220.00
CDW Government Inc	Adobe Acrobat Licensing - 10 Additional Licenses	121350	1,273.50
Commercial Mobile Systems	Temporary Trailer - MRF Prj 20211-850	121351	511.82
Doane & Hartwig Water Systems Inc	Ph Probe & Chlorine Sensor PVPS, Acetate Buffer For Chlorine Analyzer	121352	3,183.52
Electrical Sales Inc	Hardware Supplies	121353	285.34
Escondido Metal Supply	4" Iron Pipes - 3	121354	1,238.05

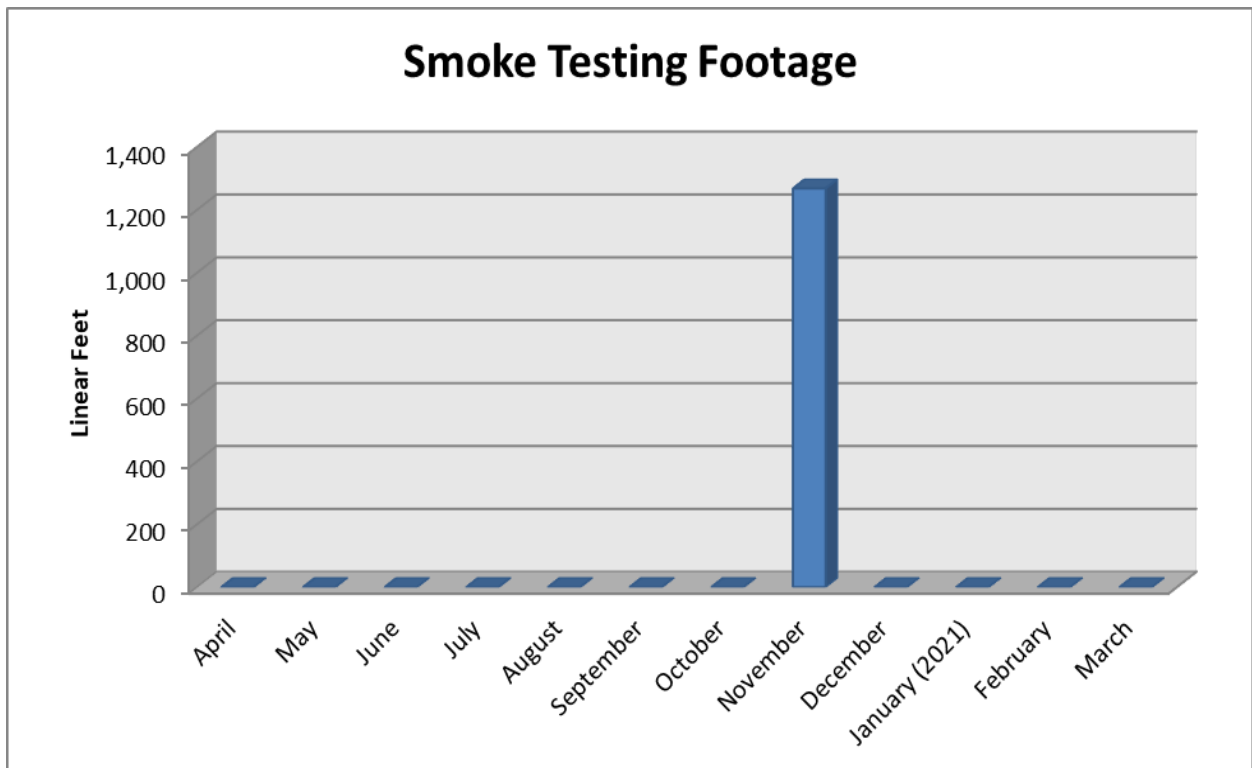
VALLECITOS WATER DISTRICT
WARRANTS LIST
May 5, 2021

PAYEE	DESCRIPTION	CHECK#	AMOUNT
Financial Credit Network, Inc.	Collection Svcs	121355	893.60
Gallade Chemical Inc.	Sodium Hypochlorite	121356	119.28
Grainger Inc	Vacuum Pump Motor - MRF, Hardware Supplies	121357	3,602.27
Harish Regu	Closed Account Refund	121358	166.86
Hoch Consulting, APC	Land Outfall Condition Assessment Prj 20201-9	121359	8,882.50
Interstate Batteries	Vehicle Batteries - 4	121360	555.46
Land Surveying Consultants Inc	Emergency Bypass Pipeline Rehab Prj 20211-3	121361	4,660.14
Ostari Inc	IT Support - Apr	121362	3,000.00
Pacific Pipeline Supply	Brass Inventory: Angle Meter Stops 10, Ball Valves 10, Couplings 6	121363	3,205.86
Pacific Safety Center	Forklift Operator Training - 3/30/21	121364	1,490.00
Pencco, Inc.	Calcium Nitrate	121365	15,669.13
Plumbers Depot Inc	Sewer Cleaning Nozzle Rebuild Parts	121366	723.84
Raftelis Financial Consultants Inc	Water Cost of Service Study	121367	4,005.00
Recycled Aggregate Materials Co Inc	Concrete Recycling	121368	100.00
Recon Environmental Inc	Failsafe Pipeline Prj 20211-3 & District Wide SCADA Prj 20201-4	121369	26,742.25
Redback USA	Safety Boots	121370	133.61
Road Soup LLC	Asphalt Bags - 50	121371	905.10
SHI International Corp.	IT Equipment & Radios 2	121372	3,482.69
Specialty Seals & Accessories	Mechanical Seal Rebuild Parts - Solids Pump 1 - MRF	121373	4,855.70
Unifirst Corporation	Uniform Delivery	121374	3,331.53
Univar USA Inc	Sodium Bisulfite	121375	4,373.79
Waxie Sanitary Supply	Cleaning Supplies	121376	262.29
Total Disbursements (144 Checks)			<u>921,743.53</u>
WIRES			
Encina Wastewater Authority	Quarterly UAL Additional Discretionary Payment	Wire	197,237.00
Encina Wastewater Authority	Quarterly Billing	Wire	1,608,985.12
Public Employees Retirement System	Retirement Contribution - April 20, 2021 Payroll	Wire	80,271.62
Total Wires			<u>1,886,493.74</u>
PAYROLL			
Total direct deposits		Wire	228,793.71
VWD Employee Association		121231	542.00
Payroll & Garnishments		121232	701.06
IRS	Federal payroll tax deposits	Wire	94,154.38
Employment Development Department	California payroll tax deposit	Wire	18,641.73
CalPERS	Deferred compensation withheld	Wire	22,190.02
VOYA	Deferred compensation withheld	Wire	8,607.55
Total April 20, 2021 Payroll Disbursements			<u>373,630.45</u>
Total direct deposits		Wire	1,097.17
IRS	Federal payroll tax deposits	Wire	654.25
Employment Development Department	California payroll tax deposit	Wire	136.82
Special Payroll Disbursements (i.e., final checks, accrual payouts, etc.)			<u>1,888.24</u>
Total Payroll Disbursements			<u>375,518.69</u>
TOTAL DISBURSEMENTS			<u><u>3,183,755.96</u></u>

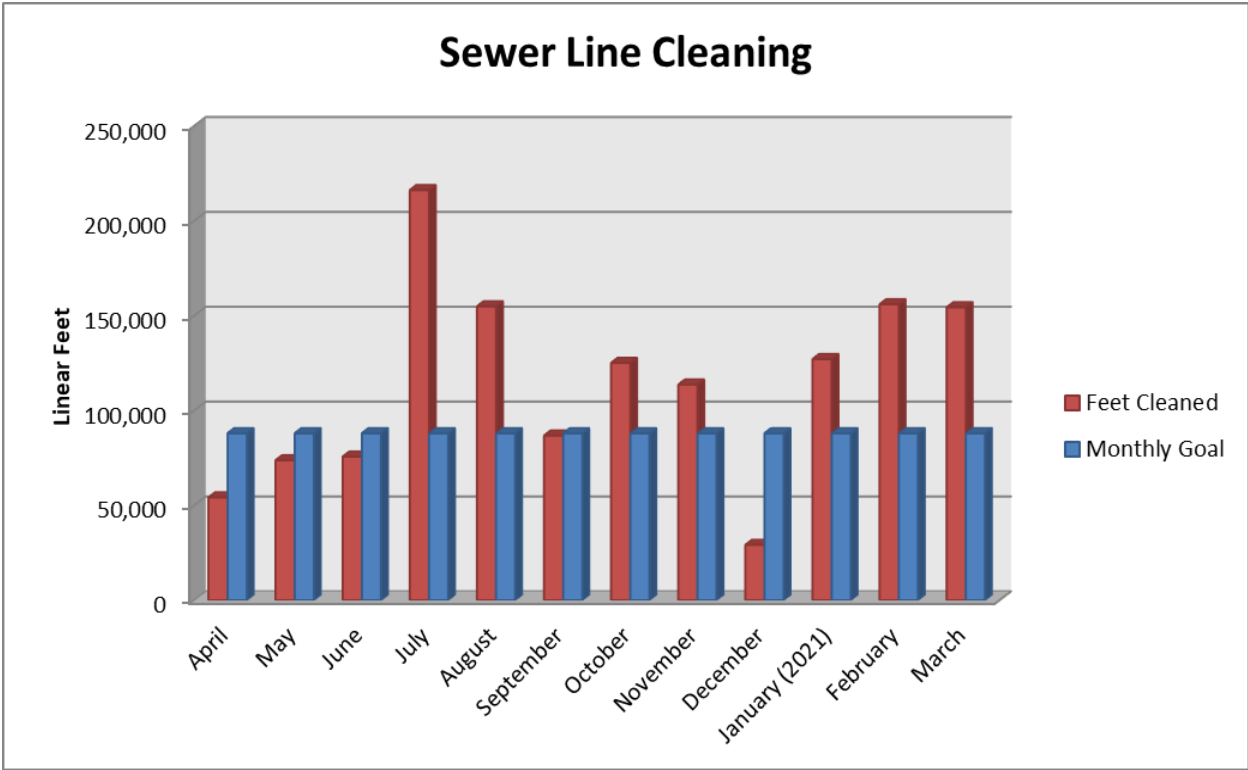
Quarterly O&M Metrics Report



CCTV Sewer Line Inspection Totals in Feet
 Total for Calendar Year 2021 = 61,450 ft.
 (Goal is to inspect at least 180,000 feet of gravity lines per calendar year)

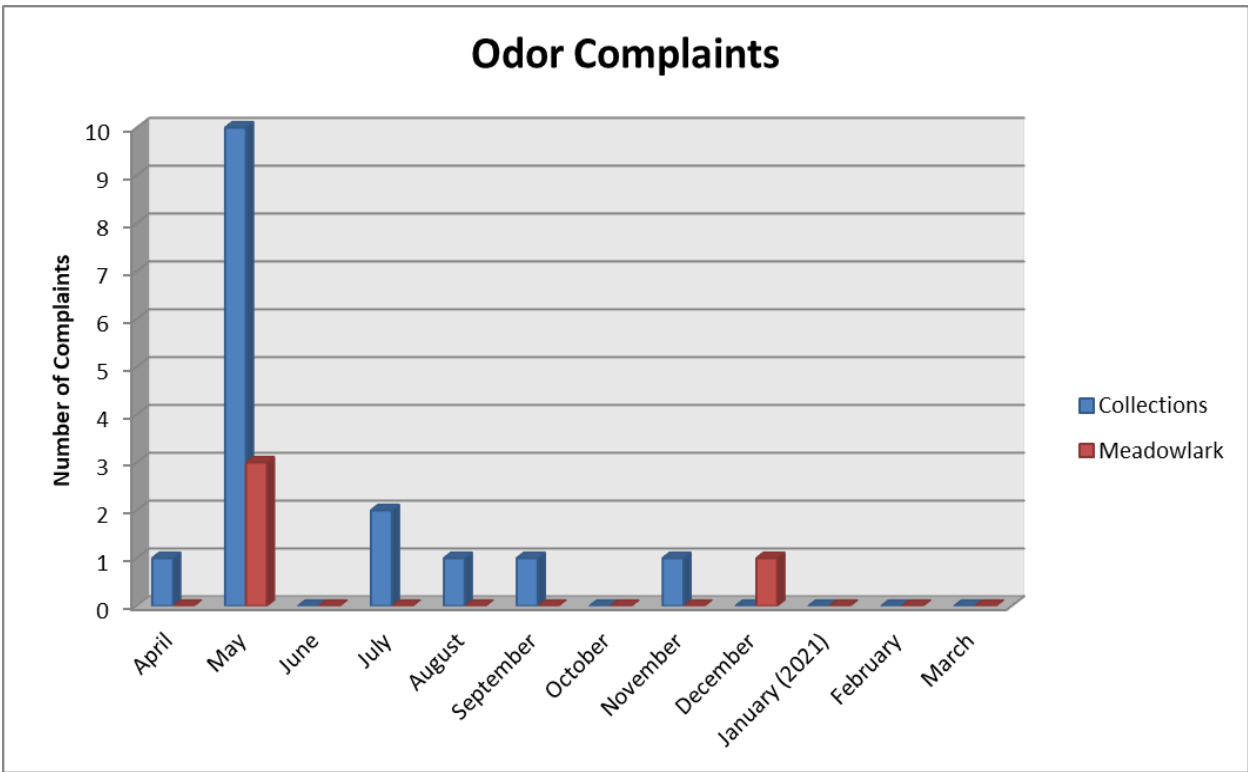


Smoke Testing of Sewer Lines in Feet
 (Goal is to smoke test three areas per calendar year based on suspected I&I)

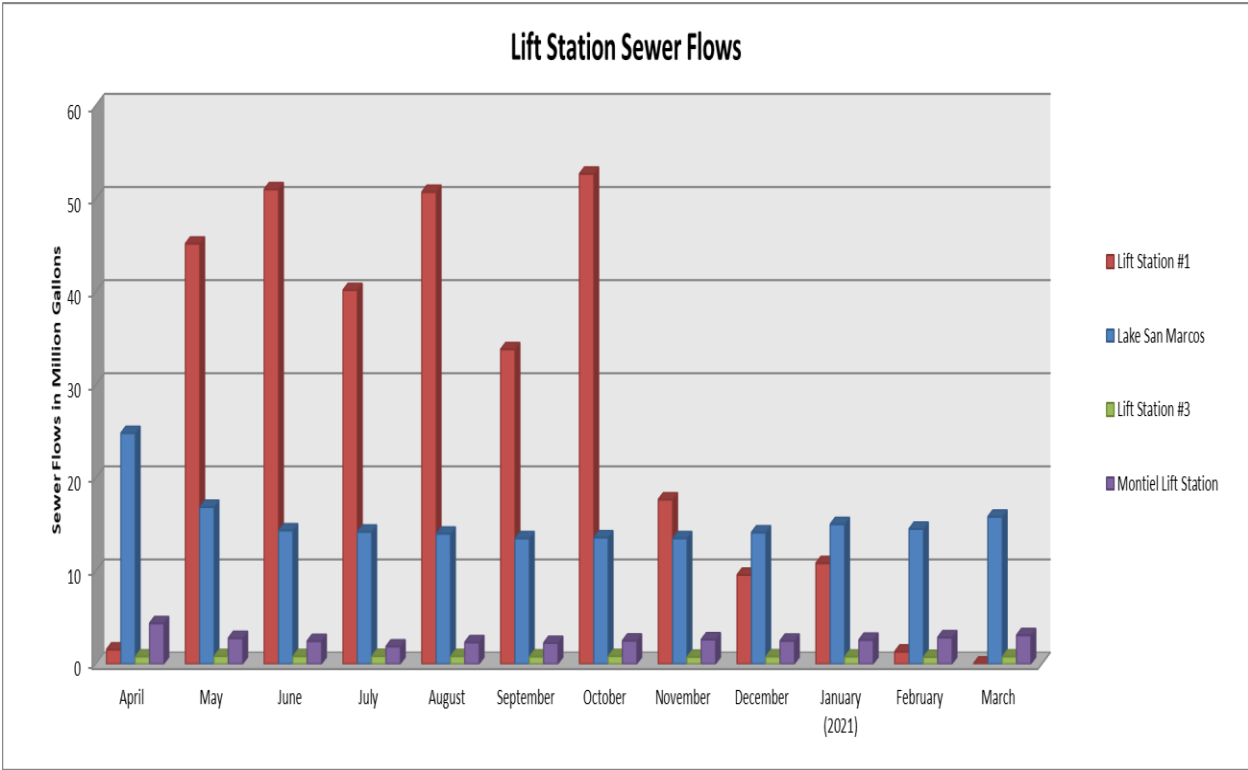


Sewer Line Cleaning Totals in Feet
 Total for Calendar Year 2021 = 437,396 ft.

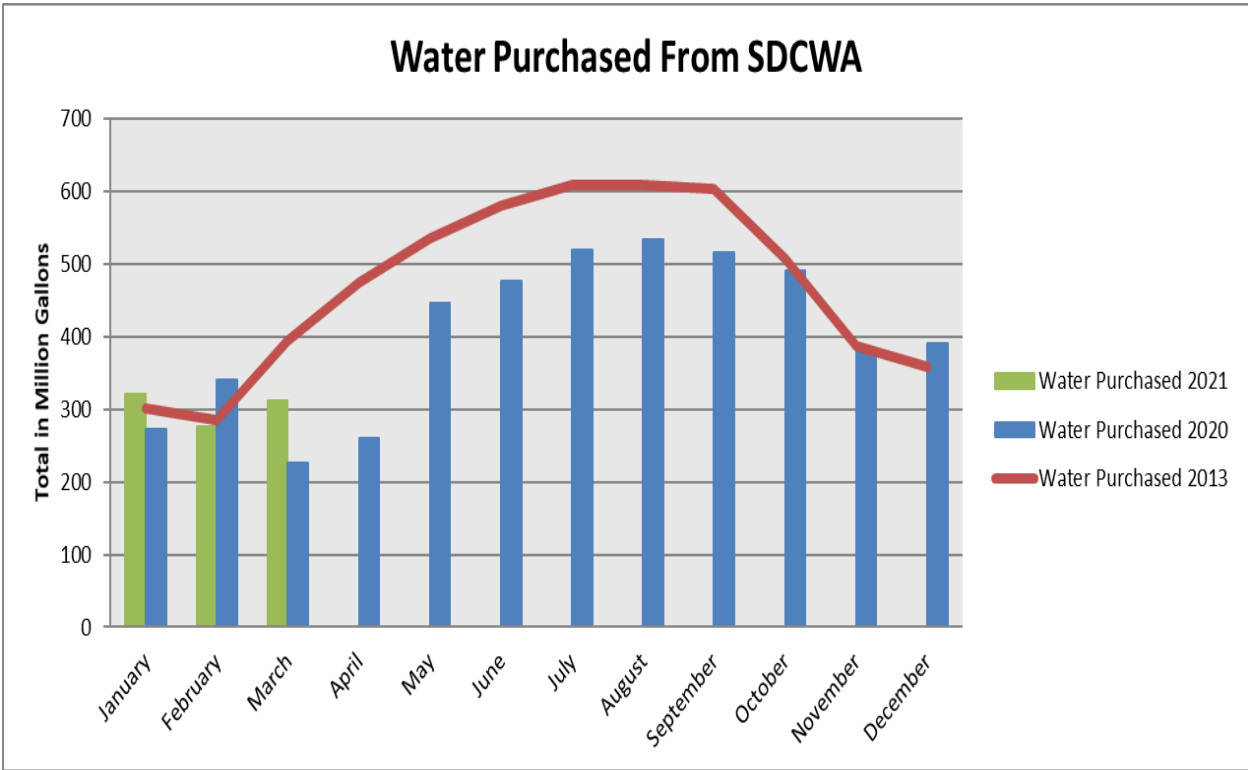
(Goal is to clean 1,000,000 ft. of gravity lines per year and clean the entire system in 15 months or less)



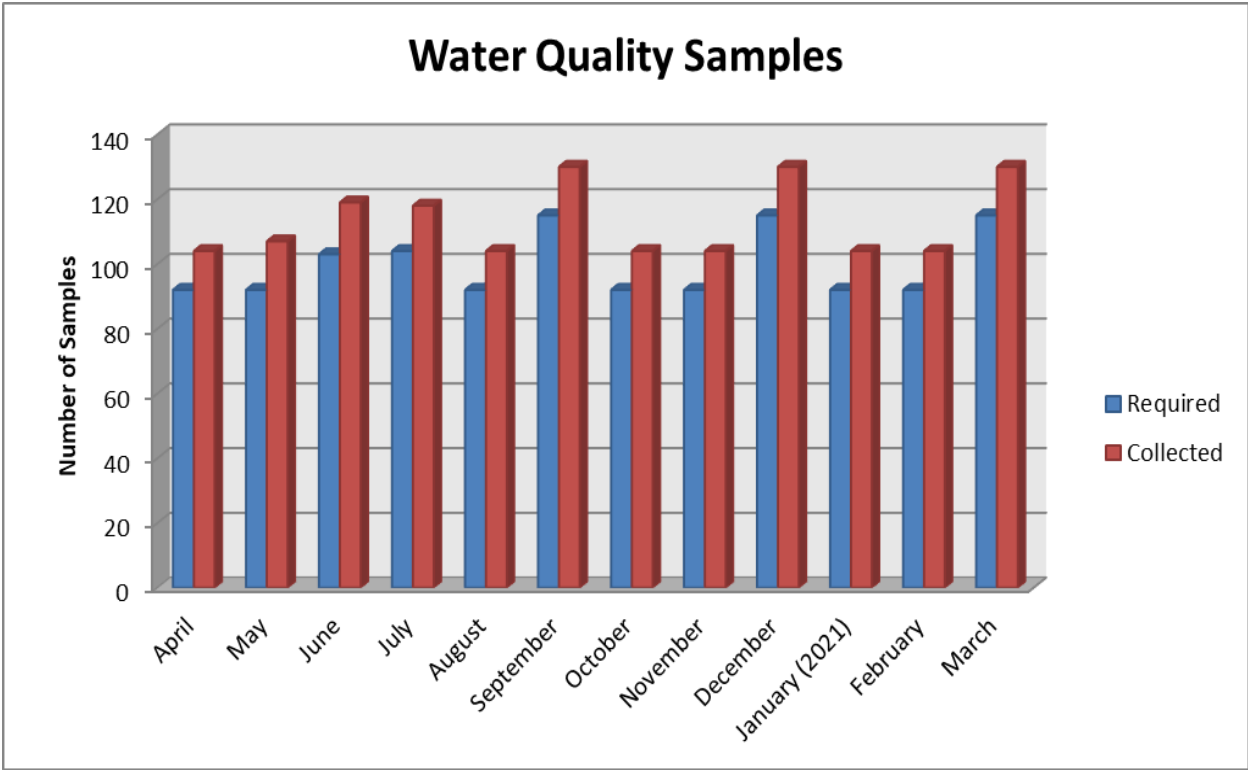
Customer Sewer Odor Complaints



Sewer Flows Pumped from District Lift Stations

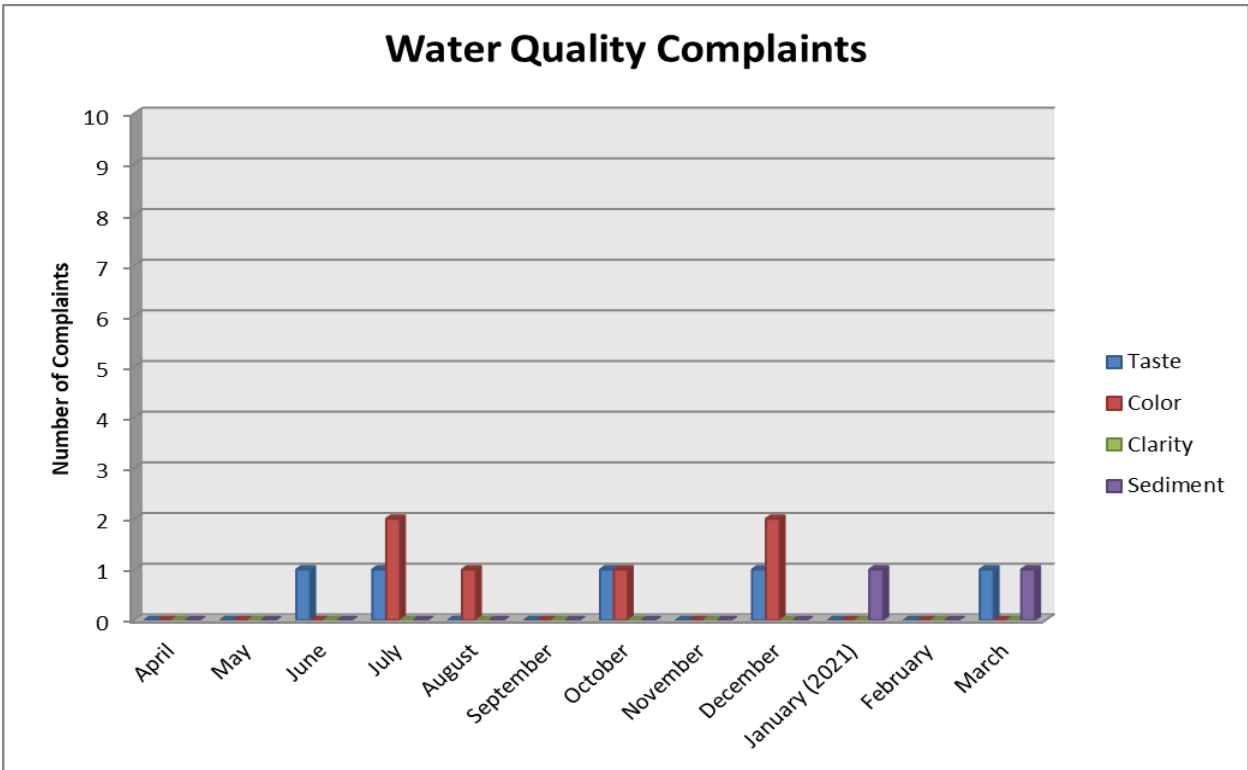


Water Purchased from the San Diego County Water Authority
 Calendar Year 2013 was used by the SWRCB as a baseline for water conservation efforts
 (Includes water from the desalination and OMWD plants)



Bacteriological Water Quality Samples

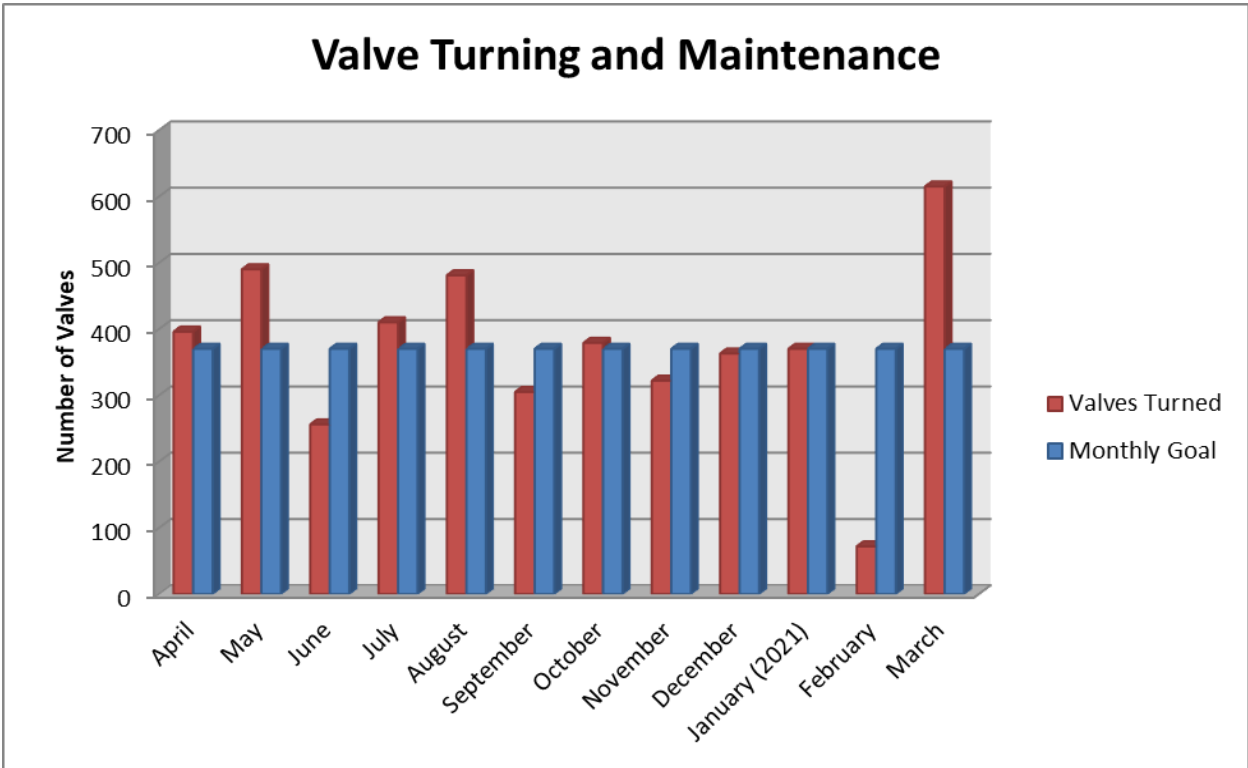
(Number of samples required each month is based on SWRCB regulations & the number of weeks per month)



Customer Water Quality Complaints

(Water quality issues are typically caused by main breaks, construction activities & customers' plumbing)

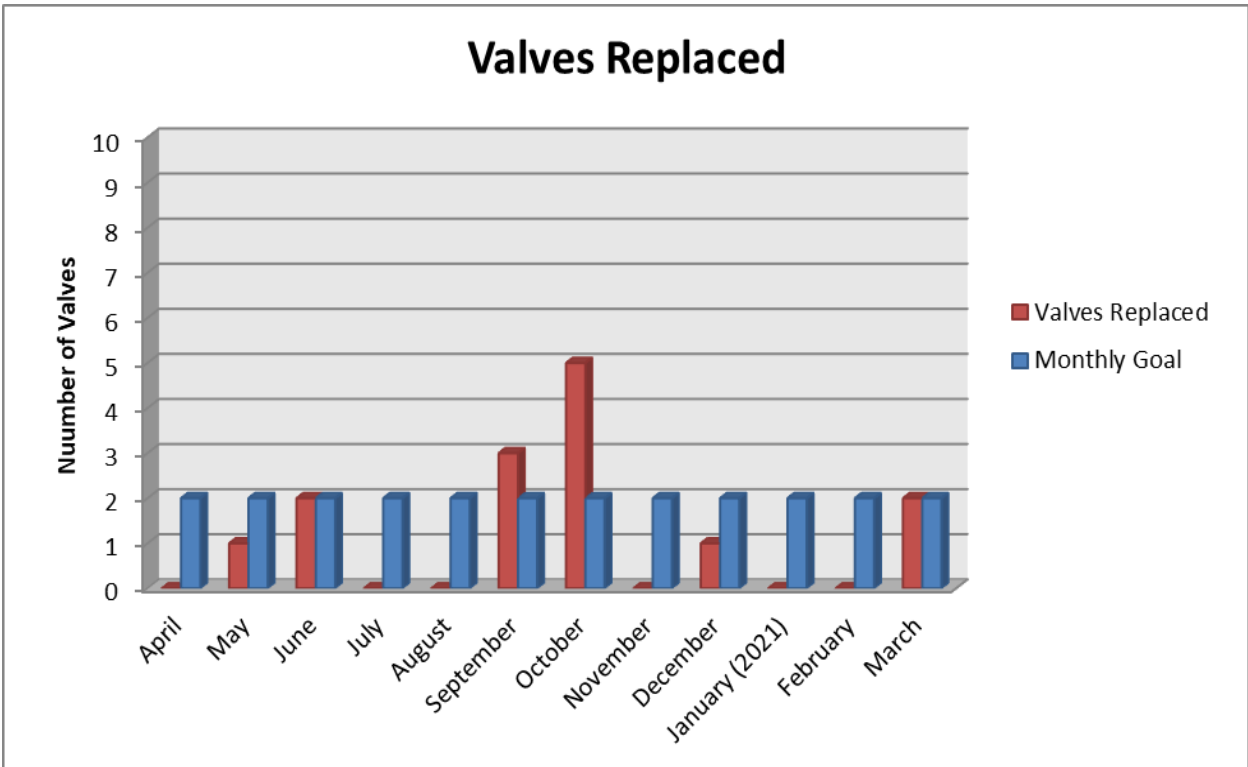
Valve Turning and Maintenance



Water Valves Turned in the Distribution System

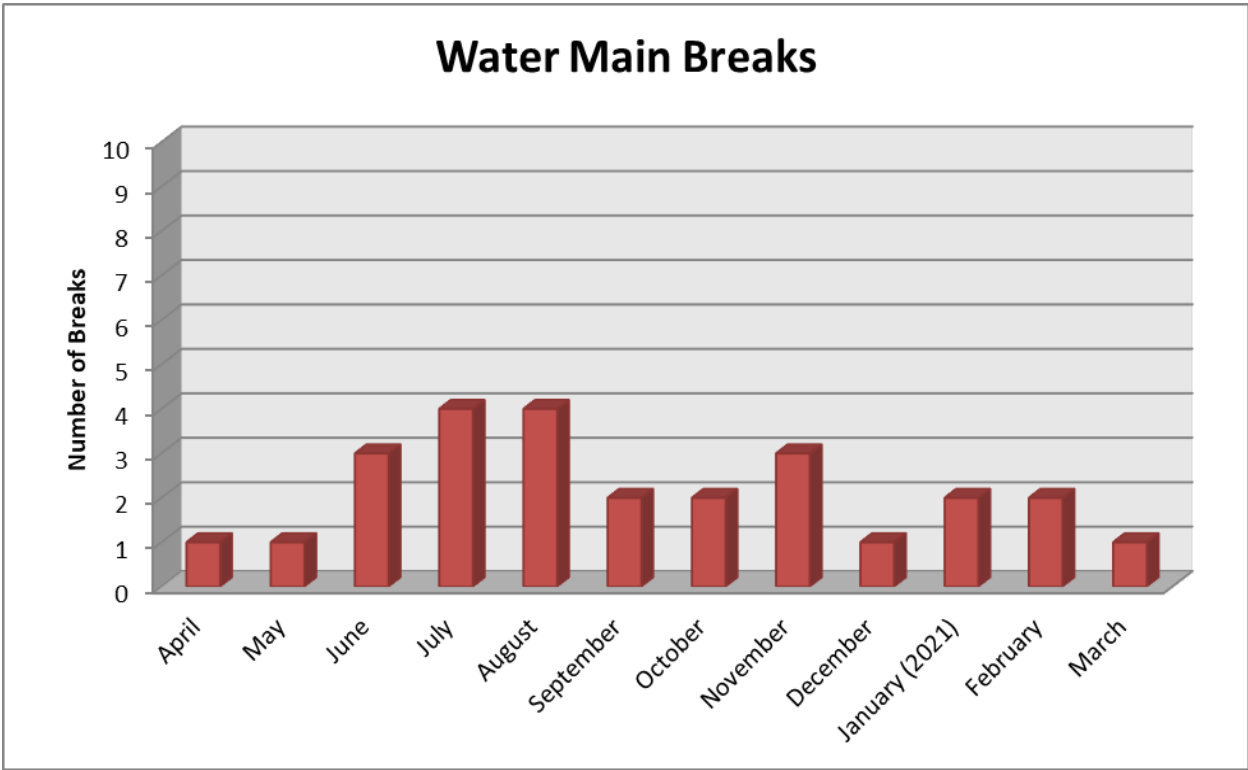
The District has 8,874 valves / 12% of the valves have been turned in Calendar Year 2021
(Goal is to turn 50% of valves every calendar year or about 370/Month)

Valves Replaced

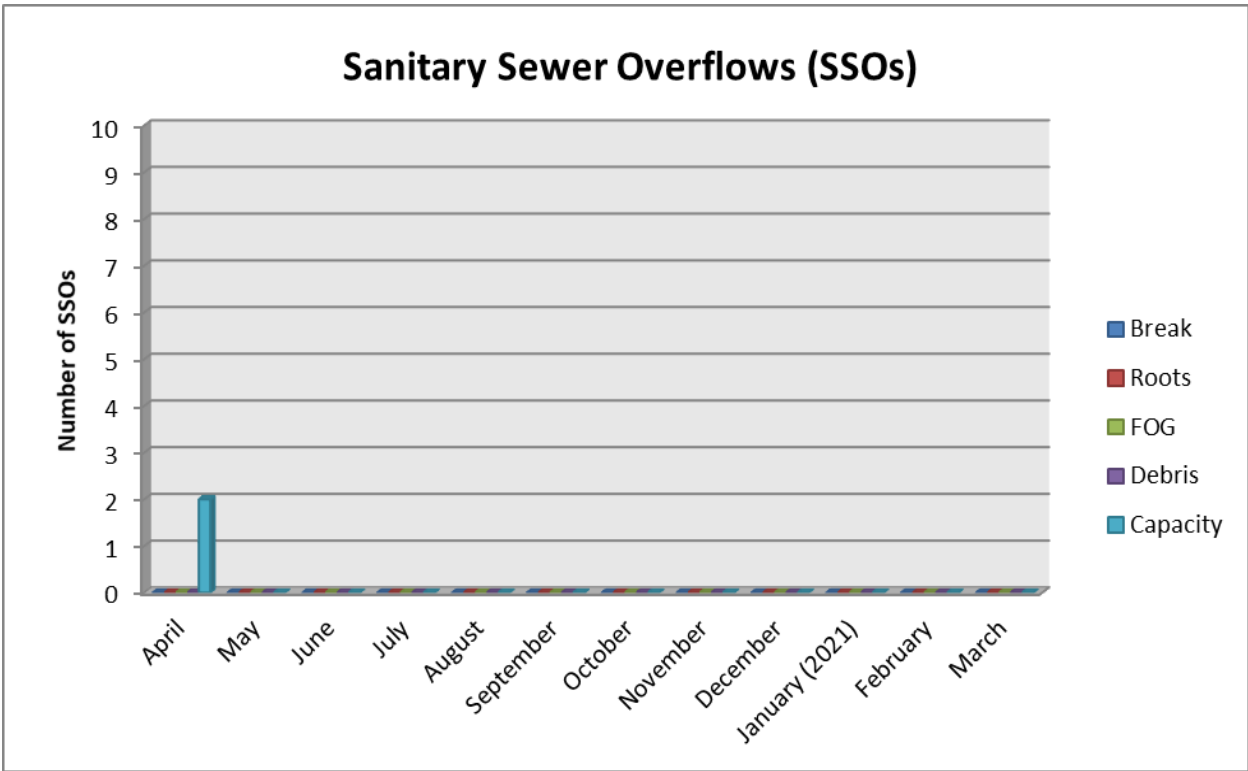


Water Valves Replaced in the Distribution System

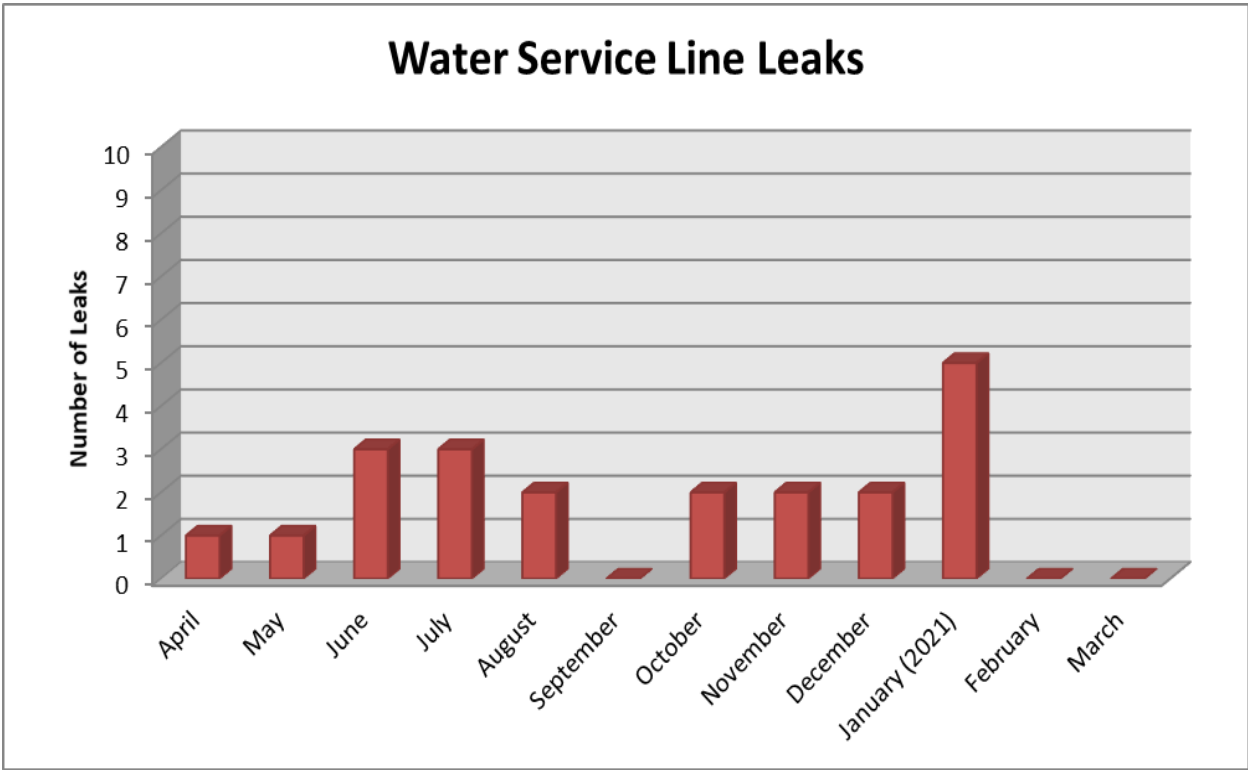
Total replaced so far for Fiscal Year 2020/21 = 11 / There are currently 35 broken valves that need replacing
(Goal is to replace 20 valves every fiscal year or around 2 per month)



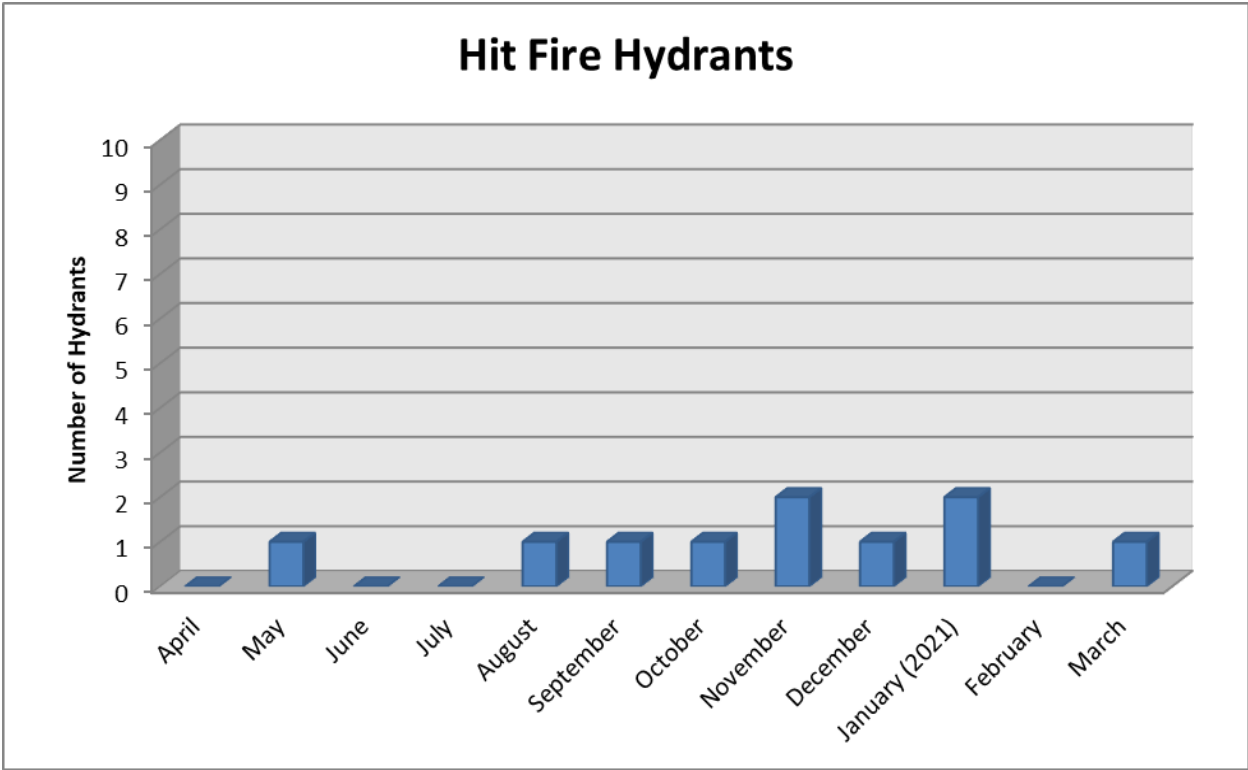
Water Mainline Breaks in the Distribution System
 (There have been 5 water main breaks in calendar year 2021 / There were 28 in 2020)



Sanitary Sewer Overflows (sewer spills and their cause) in the Wastewater Collections System
 (There have been 0 SSOs in calendar year 2021 / There were 2 in 2020)

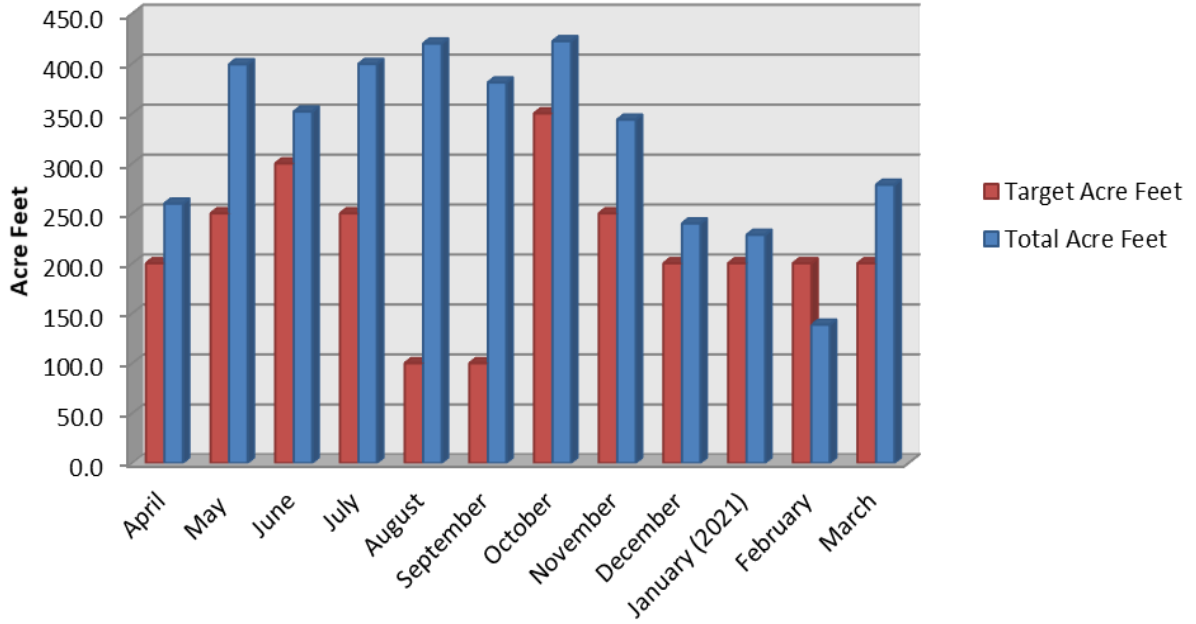


Water Service Line Leaks in the Distribution System
 (There have been 5 water service line leaks in calendar year 2021 / There were 25 in 2020)



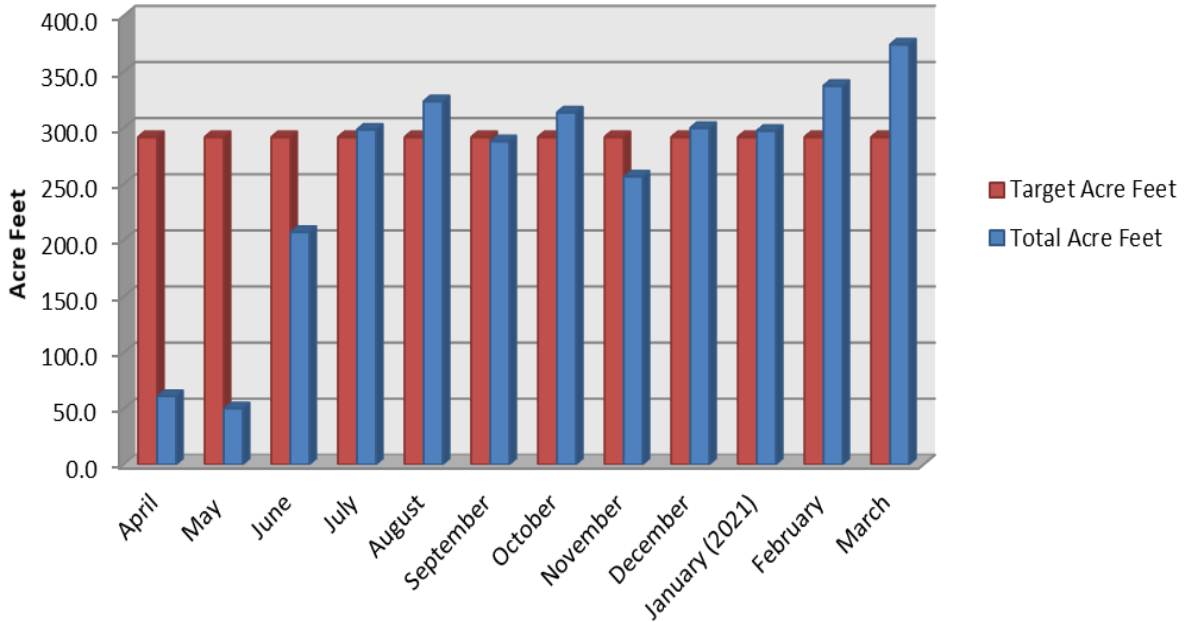
Fire Hydrants Hit in the Distribution System
 (There have been 3 fire hydrants hit in calendar year 2021 / There were 9 in 2020)

San Elijo Pump Station - OMWD Water Purchase



Acre Feet (AF) of Water Purchased from Olivenhain MWD – San Elijo Pump Station
 Our annual minimum take from OMWD is 2,750 AF / We have purchased 646 AF in CY 2021
 (The monthly Target Acre Feet varies throughout the year based on the agreement with OMWD)

Desalination Plant Water Purchase



Acre Feet (AF) of Water Purchased from the Carlsbad Desalination Plant
 Our annual minimum take from Desal is 3,500 AF / We have purchased 1,009 AF in CY 2021
 (Our monthly Target Acre Feet is based on our purchase agreement with SDCWA)

DATE: MAY 5, 2021
TO: BOARD OF DIRECTORS
SUBJECT: APPROVAL OF CONSTRUCTION AGREEMENT FOR VILLA SERENA PHASE 1 OFFSITE SEWER IMPROVEMENTS APN 220-112-09, 220-112-27, 220-112-28 & 220-100-63 (VS PHASE 1 LP)

BACKGROUND:

Villa Serena Phase 1 LP, owner of the project, has completed the plan check process with the District. The project is located on Richmar Avenue between Liberty Drive and Marcos Street.

All new projects undergo evaluation by Vallecitos Water District to determine if the current water and sewer infrastructure is sufficient to accommodate the proposed water demands and sewage generation. The resulting water/sewer study identifies any deficiencies in the system directly attributed to the proposed project. This at times will result in upgrades to off-site water and sewer improvements as a required condition of the development. The term “offsite” references improvements that are required outside the limits of the property being developed by the project.

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.

Villa Serena Phase 1 LP will construct approximately 640 feet of 10-inch diameter PVC sewer. Upon completion of the sewer facilities, water and sewer service will be available to 85 townhome units.

All engineering fees and inspection deposits have been paid prior to Board approval of the Construction Agreement. Water and wastewater capital facility fees are due and payable prior to issuance of the final building inspection and/or utility release per Resolution 1441. Based on the current fees this will total \$126,960.00 for water and \$417,632.00 sewer Capital Facility Fees.

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	\$135,795.45
Faithful Performance	\$135,795.45

FISCAL IMPACT:

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

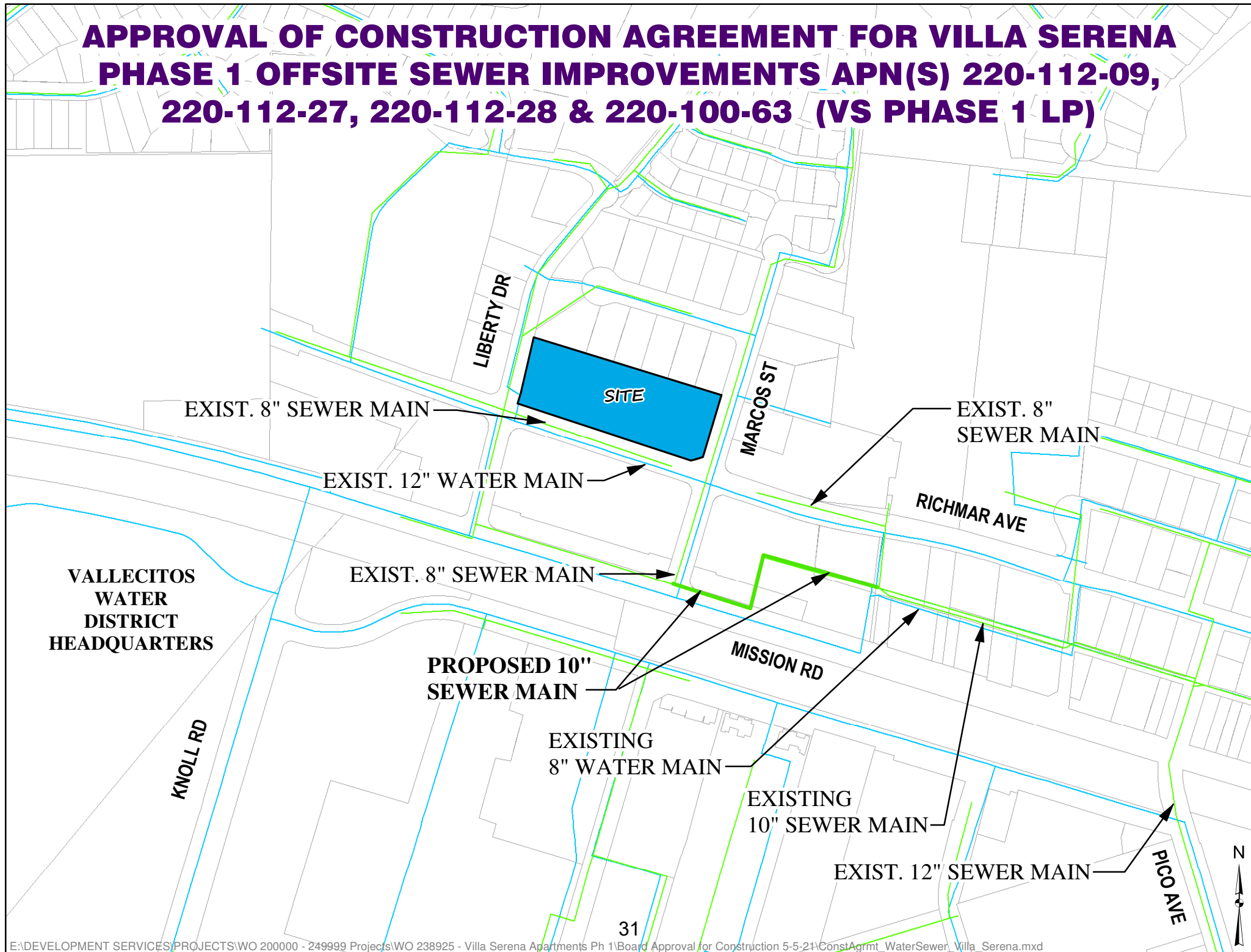
RECOMMENDATION:

Approve the construction agreement for Villa Serena Phase 1 Offsite Sewer Improvements.

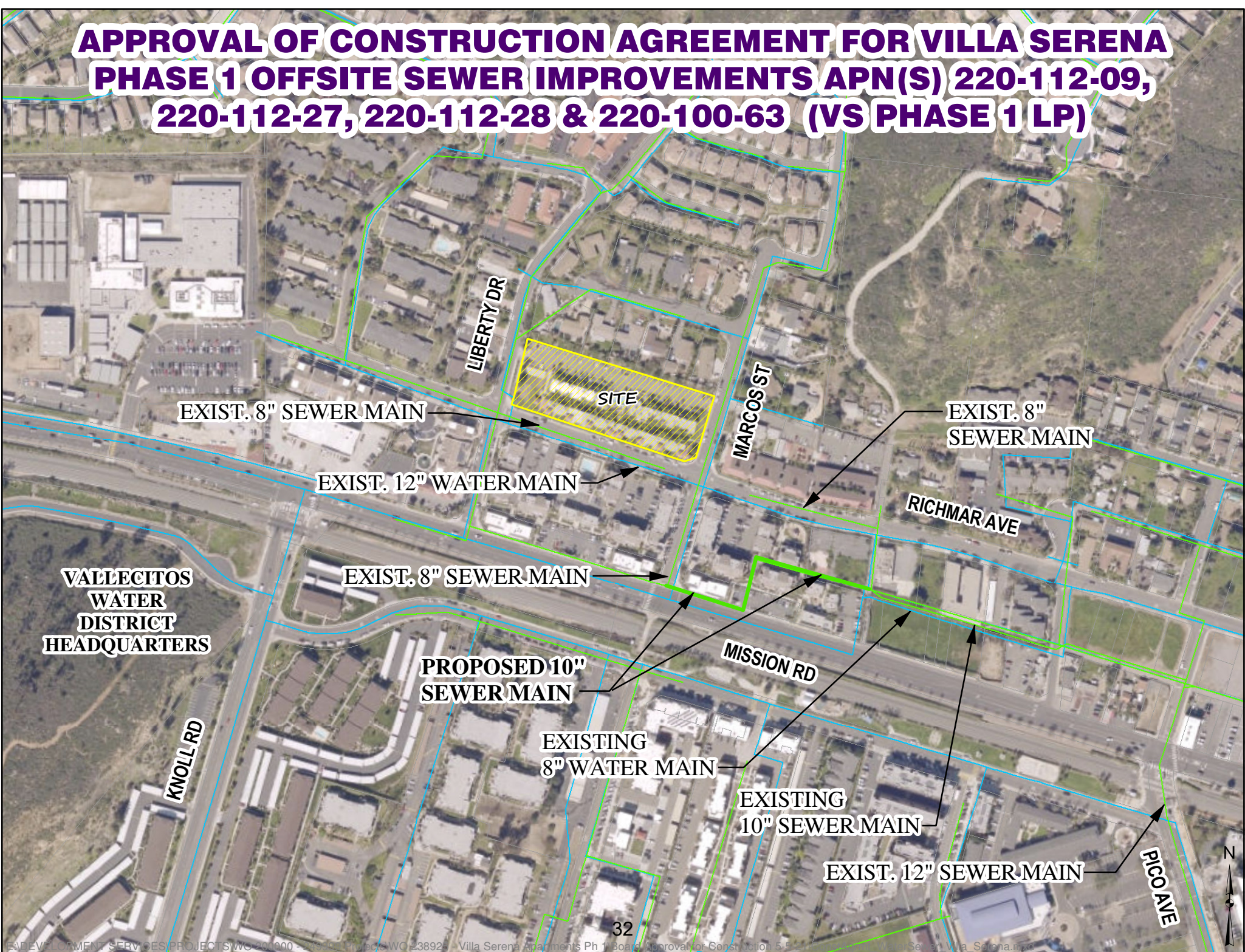
ATTACHMENTS:

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

APPROVAL OF CONSTRUCTION AGREEMENT FOR VILLA SERENA PHASE 1 OFFSITE SEWER IMPROVEMENTS APN(S) 220-112-09, 220-112-27, 220-112-28 & 220-100-63 (VS PHASE 1 LP)



APPROVAL OF CONSTRUCTION AGREEMENT FOR VILLA SERENA PHASE 1 OFFSITE SEWER IMPROVEMENTS APN(S) 220-112-09, 220-112-27, 220-112-28 & 220-100-63 (VS PHASE 1 LP)



**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 **VS PHASE 1 LP** (“DEVELOPER”).

RECITALS

1. DEVELOPER desires to improve certain real property which lies within the boundaries of the DISTRICT consisting of approximately **2.20** acres commonly described as Tax Assessor's Parcel Nos. **220-112-09** (“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 **FUSCO ENGINEERING – 6390 GREENWICH DRIVE SUITE 170 SAN DIEGO, CA 92122** and are identified as **VILLA SERENA APARTMENTS PHASE 1 IMPROVEMENTS VWD WO# 238925**. 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 _____, 202___. 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

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

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 **\$135,795.45**. 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,

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

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

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 \$ 35,560.00 to cover all DISTRICT fees and costs associated with the FACILITIES. When this deposit has been drawn down to \$ 1,500.00, 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 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 _____.

**“DISTRICT”
VALLECITOS WATER DISTRICT**

By: _____

Glenn Pruim, Secretary
Board of Directors
Vallecitos Water District

Dated: _____

“DEVELOPER”

Name: _____

Title: _____

Company: _____

Signature*: _____

Dated: _____

*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.

DATE: MAY 5, 2021
TO: BOARD OF DIRECTORS
SUBJECT: FINAL ACCEPTANCE OF VINEYARD ROAD SEWER OFF-SITE IMPROVEMENTS (WARMINGTON RESIDENTIAL CA, INC)

BACKGROUND:

Warmington Residential California, Inc., owner of the project, has completed the installation of off-site sewer facilities in Vineyard Road as a condition for their 20 single family lot residential subdivision Orchard Hills, now named Orchard Knolls. The improvements are located on Vineyard Road south of Borden Road in the County of San Diego. Orchard Hills subdivision annexation was completed, paid all applicable fees and was approved by Resolution #1563 on January 15, 2020.

All new projects undergo evaluation by Vallecitos Water District (VWD) to determine if the current water and sewer infrastructure is sufficient to accommodate the proposed water demands and sewage generation. The resulting water/sewer study identifies any deficiencies in the system directly attributed to the new project. The water/sewer study analyzes all aspects of VWD's infrastructure and makes recommendations for capital improvements for impacts that are created by the project. Offsite improvements may be required to address deficiencies in water or sewer lines, treatment facilities, pump stations or storage facilities within the Districts infrastructure. The term "offsite" references improvements that are required outside the limits of the property being developed by the project.

DISCUSSION:

Sewer facilities for private land development projects are constructed by a developer. When completed to the satisfaction of the District, those facilities are accepted by the Board of Directors and become District property.

The project constructed and upsized approximately 217 feet of 15-inch diameter PVC sewer main. Along with the sewer mains, assorted appurtenances were installed such as sewer laterals and manholes.

The owner has provided the District with the required security to guarantee repairs due to failure of materials or workmanship for a period of one year. All current fees and charges have been paid to date.

The owner is not responsible to pay capital facility fees in association with off-site sewer improvements. Water and wastewater capital facility fees for the 20 single family residential lots will be collected and accepted as defined in Resolution #1441 – "due and payable any time prior to final building inspection and/or utility release".

FISCAL IMPACT:

None.

RECOMMENDATION:

Accept the project off-site improvements and approve the filing of a Notice of Completion for Vineyard Road Off-Site Sewer Improvements. The Notice of Completion is filed with the County of San Diego and reduces the time in which a contractor may file a claim against the project from 90 days to 30 days.

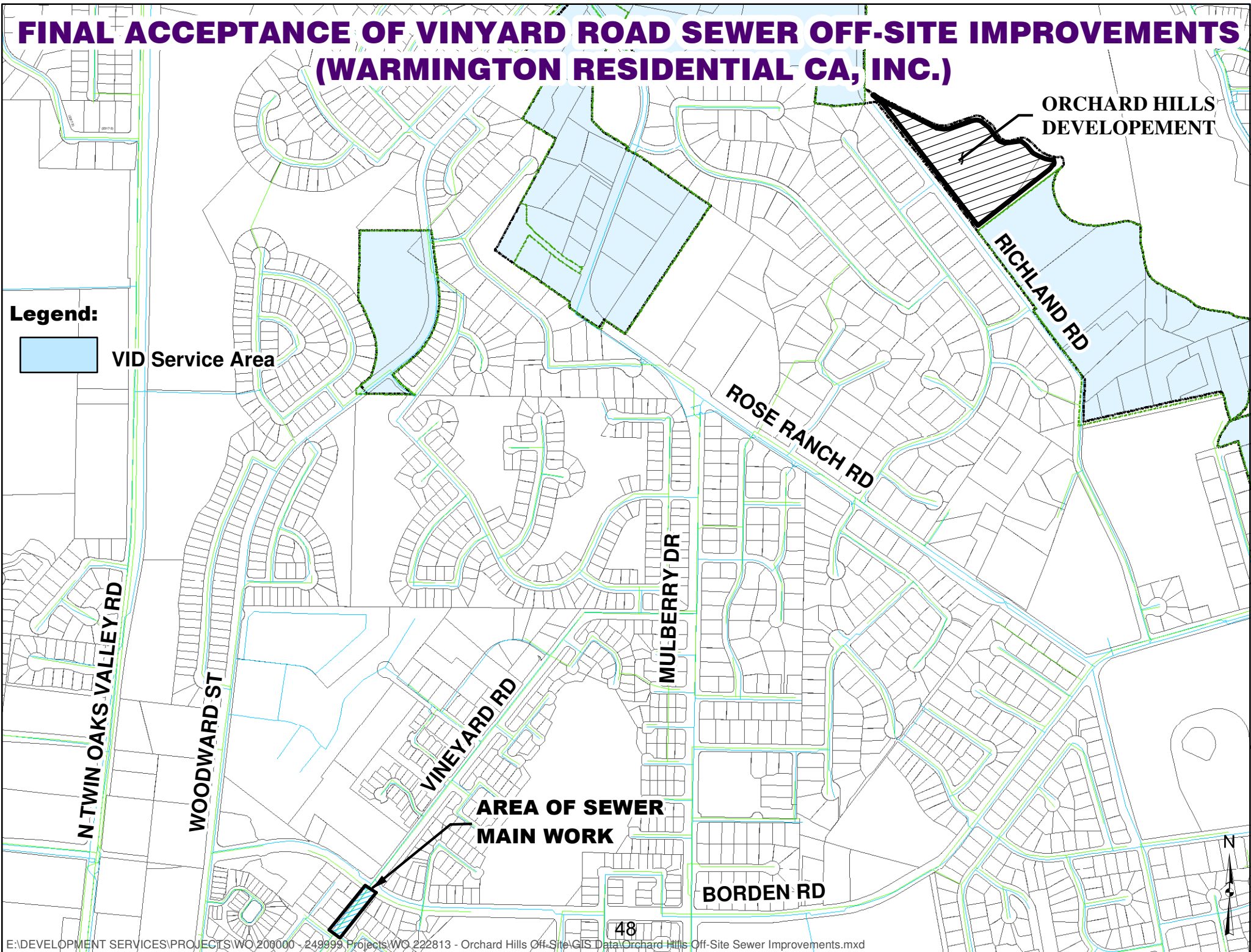
ATTACHMENTS:

2 Map Exhibits – 1 Plat Map & 1 Aerial

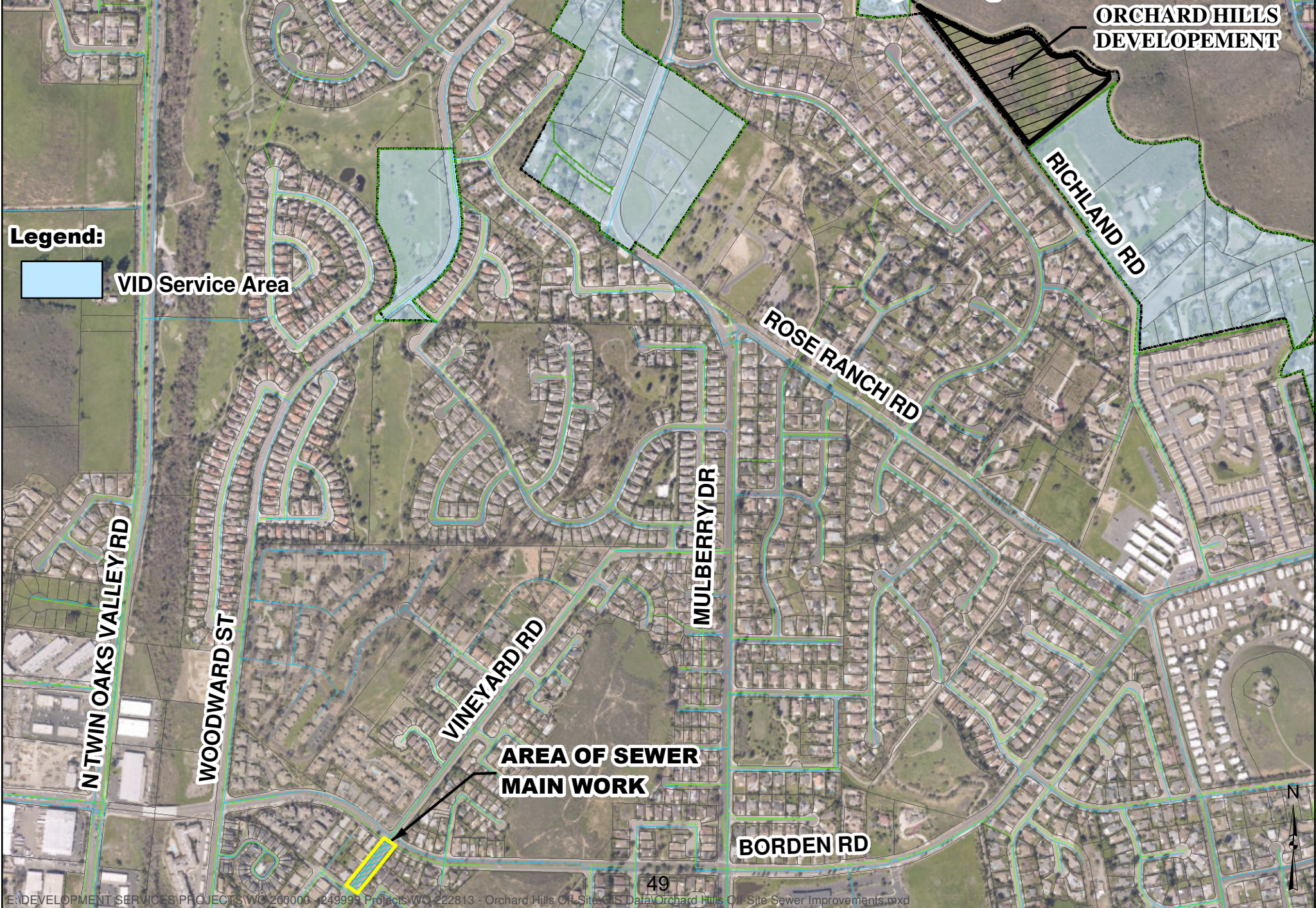
FINAL ACCEPTANCE OF VINYARD ROAD SEWER OFF-SITE IMPROVEMENTS (WARMINGTON RESIDENTIAL CA, INC.)

ORCHARD HILLS DEVELOPEMENT

Legend:
[Blue Box] VID Service Area



FINAL ACCEPTANCE OF VINYARD ROAD SEWER OFF-SITE IMPROVEMENTS (WARMINGTON RESIDENTIAL CA, INC.)



DATE: MAY 5, 2021
TO: BOARD OF DIRECTORS
SUBJECT: MUTUAL AID AGREEMENT

BACKGROUND:

Utility districts are responsible for the operation and maintenance of their water and wastewater systems. Most utility districts have the equipment, materials, personnel and funding to manage day to day operations and routine emergencies or system disruptions. In some cases, situations arise that demand resources beyond the capabilities of the responsible utility agency.

In situations such as this, it is common for a utility to contact a neighboring utility to request assistance. Oftentimes, such a request is very informal, with personnel from one agency reaching out to another agency with a specific request. It is also common, however, for agencies in a particular geographical area to enter into a more formal arrangement, wherein signatory agencies define the parameters under which each agency would provide assistance to other agencies. Agreements such as this are known as mutual aid agreements.

In the early 1990's, the San Diego County Water Authority worked with its member agencies to explore the idea of developing a mutual aid agreement. The agencies recognized that they were stronger together than they were individually and they shared similar responsibilities. The member agencies worked with the Water Authority and the parties entered into the first Mutual Aid Agreement in 1992. This Agreement specified the circumstances under which a signatory agency could request support from other agencies in the Agreement. The Agreement addressed issues such as cost, liability and availability of equipment, materials and personnel. The Agreement was reaffirmed in 2002.

DISCUSSION:

In November of 2020, at the request of several member agencies, a General Managers working group was formed to review and recommend potential changes to the Agreement. The working group drafted an updated agreement, which was circulated among all member agencies for review.

The primary changes to the Agreement recommended by the working group included deleting the provision requiring agencies to maintain inventories of available equipment/materials/supplies, clarifying the cost reimbursement provisions and clarifying the Water Authority's participation. The main comments received from the General Managers' group related to updating and clarifying some of the legal language regarding indemnification and workers compensation. Based on the input from the General Managers, Water Authority staff have prepared the attached Mutual Aid Agreement Providing for Emergency Assistance Among the San Diego County Water Authority and its Member Agencies (Mutual Aid Agreement) for consideration by the Member Agencies governing.

The Mutual Aid Agreement would provide Vallecitos with access to additional resources in the event of an emergency that overwhelmed the District's resources. If Vallecitos received assistance from a participating agency, Vallecitos would be responsible for the cost of all labor, materials and equipment provided by the assisting agency. Benefitting agencies indemnify the agencies providing assistance for the work/services performed. Each agency is responsible for the workers compensation insurance for their own employees when providing assistance to other agencies.

Although Vallecitos has never had to formally request assistance pursuant to the existing Agreement since its inception, it is desirable to continue to participate. The Agreement would greatly facilitate the collaboration of the participating agencies during emergency situations.

FISCAL IMPACT:

There is no direct fiscal impact associated with entering into this Mutual Aid Agreement. If Vallecitos receives assistance pursuant to the Agreement, Vallecitos will be responsible for the cost of the assistance, similar to our responsibility in any emergency. If Vallecitos provides assistance, the benefitting agency will reimburse Vallecitos for all costs associated with the assistance provided.

RECOMMENDATION:

Authorize the General Manager to enter into the Mutual Aid Agreement

ATTACHMENT:

Mutual Aid Agreement Providing for Emergency Assistance Among the San Diego County Water Authority and its Member Agencies

MUTUAL AID AGREEMENT PROVIDING FOR EMERGENCY
ASSISTANCE AMONG THE SAN DIEGO COUNTY
WATER AUTHORITY AND ITS MEMBER AGENCIES

This Mutual Aid Agreement (“Agreement”) is made and entered into by and between the San Diego County Water Authority (“SDCWA”) and each of the SDCWA member agencies that are signatories to this Agreement (each a “Member Agency” and collectively the “Member Agencies”). SDCWA and the Member Agencies may be referred to herein individually as “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, SDCWA and Member Agencies recognize the fact that all water supplies for the San Diego region are potentially vulnerable to earthquakes, fires, pandemics, and other emergencies, and desires to establish a mutual aid plan to maximize the utilization of available water supplies, distribution facilities, equipment, and personnel to conserve, allocate, and distribute water equitably and sustain the safe and reliable operation of wholesale and retail water systems serving the Region’s population and avoid catastrophic interruption to normal production and/or delivery facilities; and

WHEREAS, mutual aid is defined as emergency assistance given from one public agency to another, under a prearranged agreement; and

WHEREAS, it is desirable that SDCWA and each of its member agencies should be free to voluntarily aid and assist each other both in preparation for an emergency and in response to any emergency situation, or extraordinary or unusual circumstance, such as in the event of an earthquake, flood, fire, sabotage, riot, pandemic or other regional emergency (hereinafter referred to as an “emergency” or “unforeseen circumstance”); and

WHEREAS, such assistance may include the interchange of materials, facilities, services, equipment, and personnel to cope with the problems which would arise in the event of a major emergency, or unforeseen circumstances; and

WHEREAS, materials, facilities, services, equipment and/or personnel are provided on the basis that the providing agency can still continue operations and the receiving agency has, or is about to, exhaust all resources; and

WHEREAS, SDCWA and the Member Agencies are each willing to assume risks due to the use of equipment, materials and personnel furnished by the SDCWA or assisting member agencies; and

WHEREAS, to the extent provided herein, the SDCWA and each Member Agency agree to indemnify and hold each other harmless from any liability for injury, illness, or property damage incurred by SDCWA and any other Member Agency or their employees, officers or agents, or by third parties in the course of, or as a result of SDCWA or Member Agency activities pursuant to this agreement; and

WHEREAS, this Agreement is not intended as a joint use or joint purchasing program.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein, SDCWA and the Member Agencies agree as follows:

AGREEMENT

1. MUTUAL AID: ADOPTION OF EMERGENCY PLANS. Subject to the terms and conditions of this Agreement, SDCWA and each Member Agency agrees to furnish resources, facilities, personnel, and services to SDCWA and each and every other Member Agency to this Agreement to respond to emergencies and unforeseen circumstances in accordance with duly adopted or hereafter duly adopted emergency plans. The Party making a request for mutual aid shall be called "Borrower" and the Party giving aid and assistance shall be called "Lender."

1.1 Emergency Plan. The SDCWA and each Member Agency shall develop a plan ("Emergency Plan") providing for the effective mobilization of its resources, facilities, and services to respond to any type of emergency.

1.2 Voluntary Participation. No Party to this Agreement shall be liable for its failure or inability to provide, or attempt to provide, assistance to any other Party. It is the intent of the Parties to provide assistance on a strictly voluntary basis. No Party shall be required to lend any items or to unreasonably deplete its own resources, facilities, and services in furnishing such mutual aid.

2. INTENT OF BORROWER AND LENDER. It is the intent hereof that each Borrower will use the procedures herein established only for emergency situations or unforeseen circumstances requiring resources beyond its existing resources. Each Lender should assist other Parties to the extent it can do so without detriment to its own needs or impairing its ability to perform its own normal work requirements. If the Lender determines, in its sole and absolute discretion, that its needs are greater than those of the Borrower's, the Lender has first priority and sole authority over its own equipment, personnel, and materials.

3. REQUEST FOR AID OR ASSISTANCE. If a Party has an emergency or unforeseen circumstance, it shall make a request to the SDCWA or any other Member Agency or Agencies. The requesting Party will explain the nature of the circumstance and the type of materials, equipment or personnel expected to be needed. SDCWA is willing to assist any Member Agency or coordinate assistance between Member Agencies or through any other agency within SDCWA that is not a Party to this Agreement or outside the SDCWA.

3.1 Documentation. All mutual aid assistance, whether given or received, shall be documented either in advance of lending/receiving assistance, or after the emergency assistance is no longer required, as these records may be needed for federal and state emergency assistance funding application requirements and must be available to the Borrower/Lender within 30 days of the resolution of the emergency. SDCWA will develop a standard documentation form.

3.1.1 Documentation shall include one or more of the following: (1) photographs of damage and repairs; (2) notes on damage and repairs; (3) clippings of press reports; (4) a record of all expenditures; (5) a record of all pertinent conversations about specific damages and/or repairs to damaged facilities; and (6) retained receipts, invoices, statements, and other relevant paperwork for services rendered by a contractor or vendor.

3.1.2 Books, documents, papers, accounting records, and other evidence pertaining to costs incurred or compensation provided under this Agreement shall be maintained by each Party and made available at all reasonable times for four (4) years from the date of payment for inspection by another Party.

3.2 Procedures for Borrowing. A Lender may require a Borrower to comply with procedures adopted by the Lender in its Emergency Plan to document requests made hereunder.

4. CONTROL SAFETY SUPERVISION AND RECALL. It is expressly understood that the Borrower, in whose jurisdiction the incident requiring mutual aid has occurred, shall remain in charge for such incident, including the schedule of the work and the direction and supervision of such personnel and equipment provided to it through the operation of this Agreement. Safe work procedures and practices shall be observed by SDCWA or all Member Agency personnel offering assistance. Employees lending assistance to Borrower will not be asked to perform tasks which could lead reasonably foreseeable to injury or illness. Equipment shall be operated according to standards and procedures, if any, provided by the Lender at the time such equipment is lent. A Lender may recall any equipment, personnel or unused materials or supplies at any time, but shall give the Borrower as much notice as practical prior to such recall.

5. CHARGES FOR EQUIPMENT, MATERIALS, AND PERSONNEL.

5.1 Materials. All materials borrowed but not utilized shall be returned to the Lender in the same condition as they were when they were borrowed. The Borrower shall pay the Lender either the cost, or the replacement cost (whichever is higher) for all materials obtained, utilized, and not returned under this Agreement with the prior approval of the Lender, the Borrower may replace materials and return them to the site of the Lender as soon as practical instead of making payments.

5.2 Personnel. The Borrower shall pay the Lender's cost of salaries for the time spent by all personnel in assisting the Borrower, including a provision for overtime, vacation, holidays, sick leave, insurance, retirement, payroll taxes, and other direct salary costs. No overhead costs shall be included.

5.3 Charges for Equipment. The Borrower shall pay the Lender for the use of equipment in an amount agreed upon by the Borrower and Lender. Such charge shall be approximately the -fair market value- rental charge but it should reflect a return to the Lender sufficient to reimburse for the costs of ownership and operation. Unless otherwise arranged, the default rate for equipment is the current FEMA reimbursement rate.

The Borrower shall return all equipment in undamaged condition, subject to reasonable wear and tear. If equipment is damaged, the Borrower shall pay the cost of repair. If equipment is damaged beyond repair, it shall be replaced by the Borrower with new or comparable used equipment, acceptable to the Lender. The Borrower shall not be responsible to repair equipment with pre-existing damage.

5.4 Invoicing and Payment. The Lender shall provide the Borrower a detailed invoice for the cost of the mutual aid services. The invoice will include assigned personnel classification, dates and hours worked, hourly billing rates, equipment used, materials provided, and a summary of total costs incurred. The Borrower shall notify the Lender of any dispute of the information in the invoice within thirty (30) days of receipt. The Parties will cooperate to resolve any disputes at the working level before resorting to legal remedies.

The Borrower shall pay the Lender within sixty (60) days of receipt of the invoice for any undisputed charges or within fifteen (15) days after resolution of any disputed charges.

6. INDEMNIFICATION.

6.1 Indemnity for Requested Assistance. To the fullest extent provided by law, each Borrower shall fully indemnify and hold the Lender and its elected officials, officers, employees, contractors, authorized volunteers and agents (“Indemnified Parties”) harmless from any liabilities, claims, demands, causes of action, costs, expenses, losses or damages, including attorney’s fees and expert witness fees (collectively, “Claims”) arising out of, or occurring during or in the course of the provision of assistance under this Agreement. Borrower shall assume on behalf of the Lender, the defense of any Claims in which liability is sought to be imposed on the Lender, or shall reimburse the Lender for all reasonable costs of defending or responding to such action, claim or demand, including reasonable attorneys' fees. Notwithstanding the above, Borrower shall have no obligation to indemnify, defend, or hold harmless the Indemnified Parties to the extent the Claims are caused by the negligence, recklessness, or willful misconduct of an Indemnified Party. Obligations arising out of this section shall survive the termination or withdrawal from this Agreement by a Party hereto.

6.2 Liability for Joining. In the event of any Claims of whatever kind or nature arising out of the rendering of assistance through this Agreement, the parties involved in rendering or receiving assistance agree to indemnify and hold harmless, to the fullest extent of the law, each signatory to this Agreement, whose only involvement in the transaction or occurrence which is the subject of such Claims, is the execution and approval of this Agreement. Such indemnification shall include indemnity for all Claims, including but not limited to Claims for personal injury and property damage.

7. WORKERS' COMPENSATION AND EMPLOYEE CLAIMS; EMPLOYER RESPONSIBILITIES.

Notwithstanding any provision of this Agreement, it is the intent of the Parties that, to the fullest extent permitted by law, any employee of a Lender that provides labor pursuant to this Agreement, is performing the labor within the course and scope of employment for Lender, and will therefore be covered by Lender’s workers’ compensation insurance coverage during performance of any labor provided under this Agreement. Without limiting the generality of Section 6.1, the Borrower shall indemnify and hold the Indemnified Parties harmless from any and all Claims for personal injury or death incurred by such officers, employees or agents while engaged in carrying out their duties, functions or activities under this Agreement, except to the extent the Claims are caused by the negligence, recklessness, or willful misconduct of an Indemnified Party.

Each Party shall pay all wages, salaries, and other amounts due to their own employees and agents in connection with any and all services under this Agreement and as required by law. Each Party shall be responsible for all reports and obligations respecting their own employees, including, but not limited to, social security taxes, income tax withholding,

unemployment insurance, and workers' compensation insurance. Employees or agents of one Party shall not be deemed employees of the other for any purpose.

8. INSURANCE. Each Party shall procure and maintain Workers' Compensation Insurance or self-insurance for its own employees without cost to the other Parties. In addition, each Party shall procure and maintain its own insurance or self-insurance for its own property and activities, including general liability insurance and automobile insurance.

9. EXECUTION AND EFFECTIVE DATE. This Agreement may be executed by SDCWA and each Member Agency in duplicate originals, each of which shall be considered an original Agreement. This Agreement shall become effective as to any two or more Parties upon their execution of this Agreement. Each signatory shall deliver an executed original to the General Manager of the SDCWA, who will provide each participating Member Agency with a copy of all executed signature pages and a list of all participants. Member Agencies shall, upon approval of this Agreement, forward a certified copy of their resolution or other action approving the Agreement to the General Manager of the SDCWA.

10. TERMINATION NOTICE. This Agreement shall remain operative and effective as between each and every Party that has heretofore or hereafter approved or executed this Agreement until participation in this Agreement is terminated by the Party. A Member Agency which no longer desires to participate shall, by resolution or other action, give notice terminating its participation in this Agreement to the General Manager of the SDCWA. This Agreement is terminated as to such party 30 days after the filing of a certified copy of such resolution or action with SDCWA's General Manager. Termination by one or more of the Parties of its participation in this Agreement shall not affect the operation of this Agreement as between the other Parties hereto.

11. AGREEMENT BINDING. This Agreement shall be binding upon and inure to the benefit of the original parties and all parties who may subsequently enter into this Agreement, and their successors and assigns.

12. THIRD PARTY RIGHTS. This Agreement does not create any rights whatsoever in, or confer any right upon, any third person who is not a party to this Agreement.

13. SEVERABILITY. In the event that any one or more phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder.

14. GOVERNING LAW. This Agreement shall be governed by the laws of the State of California. Venue shall be in the state or federal courts located in San Diego County.

15. ENTIRE AGREEMENT. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a written agreement signed by each of the Parties hereto.

16. ATTORNEYS FEES. If any Party commences an action against another Party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing Party in such litigation shall be entitled to have and recover from the losing Party reasonable attorney's fees, expert witness fees, and all other costs of such action.

17. NON-WAIVER. None of the provisions of this Agreement shall be considered waived by any Party unless such waiver is specifically provided in writing.

SIGNATURES ON THE FOLLOWING PAGE(S)

IN WITNESS WHEREOF, each of the Parties have caused this Mutual Aid Agreement to be executed by its authorized agent or official evidencing the consent of its legislative body hereto.

SAN DIEGO COUNTY WATER AUTHORITY:

Dated: _____

By: _____

Sandra L. Kerl
General Manager

CARLSBAD MUNICIPAL WATER DISTRICT:

Dated: _____

By: _____

Vicki Quiram
General Manager

CITY OF DEL MAR:

Dated: _____

By: _____

Joe Bride
Public Works Director

CITY OF ESCONDIDO:

Dated: _____

By: _____

Chris McKinney
Director of Utilities

FALLBROOK PUBLIC UTILITIES DISTRICT:

Dated: _____

By: _____

Jack Bebee
General Manager

HELIX WATER DISTRICT:

Dated: _____

By: _____

Carlos Lugo
General Manager

LAKESIDE WATER DISTRICT:

Dated: _____

By: _____

Brent Sanders
General Manager

CITY OF OCEANSIDE:

Dated: _____

By: _____

Cari Dale
Water Utilities Director

OLIVENHAIN MUNICIPAL WATER DISTRICT:

Dated: _____

By: _____

Kim Thorer
General Manager

OTAY WATER DISTRICT:

Dated: _____

By: _____

Jose Martinez
General Manager

PADRE DAM MUNICIPAL WATER DISTRICT:

Dated: _____

By: _____

Allen Carlisle
GEO/General Manager

CITY OF POWAY:

Dated: _____

By: _____

Eric Heidemann
Director of Public Works

RAINBOW MUNICIPAL WATER DISTRICT:

Dated: _____

By: _____

Tom Kennedy
General Manager

RAMONA MUNICIPAL WATER DISTRICT:

Dated: _____

By: _____

Craig Schmollinger
Acting General Manager

RINCON DEL DIABLO MUNICIPAL WATER DISTRICT:

Dated: _____

By: _____

Clint Baze
General Manager

CITY OF SAN DIEGO:

Dated: _____

By: _____

Shauna Lorange
Public Utilities Director

SAN DIEGUITO WATER DISTRICT:

Dated: _____

By: _____

Isam Hireish
Interim General Manager

SANTA FE IRRIGATION DISTRICT:

Dated: _____

By: _____

Al Lau
General Manager

SWEETWATER AUTHORITY:

Dated: _____

By: _____

Jennifer Sabine
Interim General Manager

VALLECITOS WATER DISTRICT:

Dated: _____

By: _____

Glenn Pruim
General Manager

VALLEY CENTER WATER DISTRICT:

Dated: _____

By: _____

Gary Arant
General Manager

VISTA IRRIGATION DISTRICT:

Dated: _____

By: _____

Brett Hodgkiss
General Manager

YUIMA MUNICIPAL WATER DISTRICT:

Dated: _____

By: _____

Amy Reeh
General Manager

DATE: MAY 05, 2021
TO: BOARD OF DIRECTORS
SUBJECT: AWARD OF AS-NEEDED TASK ORDER FOR THE MEADOWLARK WATER RECLAMATION FACILITY (MRF) PROJECT MANAGER STAFF EXTENSION

BACKGROUND:

The District's Meadowlark Water Reclamation Facility (MRF) was originally built in 1958 as a State wastewater training facility. MRF has undergone two notable upgrade projects in 1982 and 2005.

In the 1982 upgrades, the District added rotating biological contactors, expanded the sedimentation tanks, filters, and chlorine contact tank. These additions allowed the District to produce recycled water for the City of Carlsbad. MRF production capacity was increased to 2.25 million gallons per day (MGD). In the 2005 upgrades, the District added new sedimentation tanks, roughing filters, odor scrubbers, aeration basins, secondary clarifiers, and tertiary filters.

The treatment process includes three (3) separate and distinct stages, primary, secondary, and tertiary treatment. The upgrades allowed the District to increase wastewater treatment capacity and recycled water production to 5 MGD. The recycled water is produced for wholesale purchase to the City of Carlsbad and Olivenhain Municipal Water District which is used for regional landscape irrigation.

Today, MRF continues to produce secondary effluent that can either go through the final tertiary treatment process at MRF to produce recycled water or be discharged through the Ocean Outfall.

DISCUSSION:

The Capital Facilities Department is currently managing six budgeted CIP projects in three different phases of planning, design, and construction at MRF. The Conversion to Sodium Hypochlorite Project and the Chlorine Contact Tank Expansion Project are currently in planning phase. The Tertiary Structural Improvements Project is in design phase, scheduled to begin construction in the winter of 2021. The Headworks Improvements Project, Biological Selector/Aeration Basin Improvement Project, and the Odor Scrubber No. 1 Replacement Project are in either bid or early construction phase which will ramp up this summer. Additional unplanned design and construction support requests from Operations are anticipated in the future based on experience and the needs at MRF.

To assist with the active CIP projects at MRF, District staff solicited interest and availability for staff extension project management services from consultants on the District's As-Needed civil engineering consultants. Black & Veatch was selected from the solicitation due to their treatment plant and project management experience. Black and Veatch was awarded an as-needed civil engineering professional services agreement for Fiscal Years 20/21 and 21/22 by the Board on July 1, 2020. Project management staff extension will

assist with preparation of request of proposals, assist with planning, design, and preparation of bid documents (plans and specs), and conduct construction management including coordinating inspections. Staff extension will work with existing project consultants, contractors, and District staff in daily correspondence and the execution of project tasks.

FISCAL IMPACT:

Funding for the MRF staff extension services will be funded in the current fiscal year directly through the individually budgeted capital improvement projects. These projects have multiyear timelines and budgets. Each fiscal year, funds will be allocated within the budgeted CIP projects for the staff extension project management services. The first phase proposed for authorization extends from May 5, 2021 through June 30, 2022. Each subsequent fiscal year, reauthorization shall be evaluated for need and brought back to the Board individually for authorization. The total estimated project cost and budget summary are as follows:

<u>May 2021 through June 2022</u>	<u>\$149,567</u>
Current Recommended Budget Total	\$149,567
*Optional FY 2022/2023	\$149,567
<u>*Optional FY 2023/2024</u>	<u>\$149,567</u>
*Additional FY Budget Totals	\$299,134

*Optional Fiscal Years 2022/2023 and 2023/2024 budgets are estimated and will each require Board authorization at a future date.

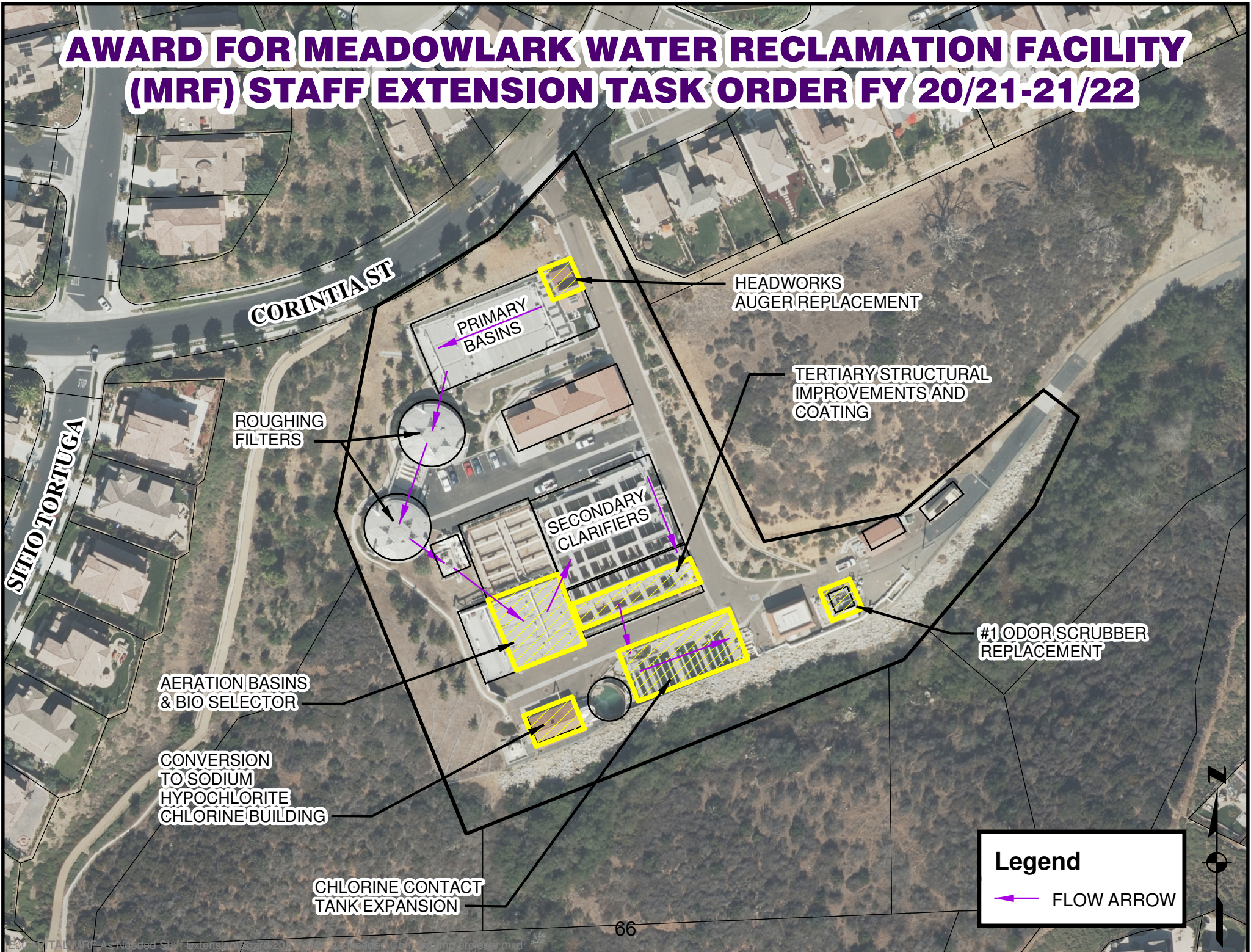
RECOMMENDATION:

The subject Task Order exceeds the General Manager's delegated budget authority. Staff, with support from the Engineering and Equipment Committee, recommends that the Board of Directors authorize the General Manager to execute a Task Order with Black and Veatch from the As-Needed Civil Engineering Consultants List in the amount of \$149,567 for Capital Facilities staff extension project management services at MRF.

ATTACHMENTS:

- MRF Project Exhibit
- Schedule of MRF Projects

AWARD FOR MEADOWLARK WATER RECLAMATION FACILITY (MRF) STAFF EXTENSION TASK ORDER FY 20/21-21/22



DATE: MAY 5, 2021
TO: BOARD OF DIRECTORS
SUBJECT: WATER SUPPLY CONDITIONS UPDATE

BACKGROUND:

With much of the west experiencing drought conditions and California squarely in a second consecutive dry year, on April 21, 2021, Governor Gavin Newsom directed state agencies to take immediate action to bolster drought resilience and prepare for impacts on communities, businesses, and ecosystems if dry conditions extend to a third year.

In addition, the Governor proclaimed a regional drought emergency for the Russian River watershed in Sonoma and Mendocino counties, where reservoirs are at record lows.

Although there is no drought declaration for San Diego County, VWD Water Conservation staff will provide the VWD Board of Directors with a monthly update on water supply conditions starting in May 2021.

DISCUSSION:

Though the Governor did not declare a statewide drought emergency, the State Water Resources Control Board in March sent early warnings to 40,000 water rights holders urging them to start conserving. The board suggested that agricultural users reduce irrigation and seek other water sources and that people in cities and towns put in drought-resistant landscaping and replace household appliances with water-saving devices.

California is now in its second year of drought and is bracing for water shortages along with another devastating wildfire season after a winter with little precipitation. Beyond the drought declaration in the two counties, Newsom’s executive order allows California to prepare for expected effects of the water shortage statewide more quickly.

The Northern Sierra 8-Station Precipitation Index shows values approximately 50% of normal and fairly close to the 1976-1977 driest values ever recorded. Snowpack and water content figures are also low. Lake Oroville is at 42% of capacity and the San Luis Reservoir at 51% of capacity. The 2021 allocation from the State Water Project is at 5%.

The Colorado River Upper Basin shows precipitation to date at 74%. Lake Mead is currently 39% full and Lake Powell is 36% full.

The Nation Weather Service/NOAA three-month temperature outlook shows the San Diego area as “above normal favored” meaning the region will probably have higher temperatures than usual.

FISCAL IMPACT:

Conservation measures can reduce revenues. Should actual drought be declared in San Diego County, staff will include financial impacts to the monthly update.

RECOMMENDATION:

For information only.

DATE: MAY 5, 2021
TO: BOARD OF DIRECTORS
SUBJECT: SAN MARCOS STATE OF THE CITY ADDRESS

BACKGROUND:

The San Marcos Chamber of Commerce is hosting the annual State of the City Address. Mayor Rebecca Jones will deliver the State of the City Address on Wednesday, May 19 at 11:00 a.m. The Mayor's address will focus on the innovation and resilience of the San Marcos Community and will include a special video tribute to Frontline Healthcare Professionals. The event will be rebroadcast on San Marcos TV beginning in mid-June on local cable television channels.

Due to COVID-19 restrictions, the address will be delivered virtually and will include pre-recorded video format. The event is free to the public but pre-registration is required.

Attendance by Directors at this event would typically require Board approval for per diem and expense reimbursement. However, given that the event is free and falls on the same day as a Regular Board meeting, there are no issues with per diems or expenses.

The Chamber is soliciting sponsorships, however. There are still Gold and Silver Sponsor opportunities available. The Gold level costs \$1,500 and includes 2 tickets to a VIP reception with a questions and answers session with Mayor Jones, a quarter-page color ad in the digital event program, corporate logo recognition during broadcast opening and two dining gift cards at San Marcos Chamber restaurants. The Silver level cost \$750 and includes an eight-page color ad in the digital event program, corporate logo recognition during broadcast opening and one dining gift card at San Marcos Chamber restaurants. All sponsorship proceeds will benefit the San Marcos Chamber of Commerce.

FISCAL IMPACT:

The fiscal impact will depend on whether the Board chooses to sponsor the event.

RECOMMENDATION:

Request Board direction regarding sponsorship of the event.

ATTACHMENT:

San Marcos Chamber of Commerce Event Flyer.



SanMarcos
CHAMBER OF COMMERCE

Leadership For Business

State of the City Address - San Marcos

Name: State of the City Address - San Marcos

Date: May 19, 2021

Time: 11:00 AM - 12:00 PM PDT

Website: San Marcos Chamber of Commerce

[Register Now](#)

Hosted by the San Marcos Chamber of Commerce
MAY 19TH, 11AM

**SAN MARCOS
STATE OF THE CITY 2021**

FEATURING MAYOR REBECCA JONES
RESILIENCE AND INNOVATION

Presented by
KAISER PERMANENTE

Pre-Recorded Production

San Marcos State of the City Address Featuring Mayor Rebecca Jones

"Resilience and Innovation"

**With a Special Video Tribute to Frontline Healthcare Professionals
Free Event - Open to the Public**

Mayor Rebecca Jones will deliver the State of the City Address on Wednesday, May 19, at 11:00am. The Mayor's address will focus on the innovation and resilience of the San Marcos community, and will include a Special Video Tribute to Frontline Healthcare Professionals. This event is the community's premiere event that showcases the vision for the City of San Marcos.

Due to COVID-19 restrictions, the address will be delivered through a combination pre-recorded video formats, and is free to the public. Pre-registration is required. Click the register button at the top left of the page.

Support the San Marcos Chamber of Commerce

The San Marcos Chamber implements a number of programs and initiatives to support our mission of promoting the business interests of members through advocacy, education, and building partnerships. Your membership and support is what allows us to execute and expand our program of work. We connect the business community with ideas, inspiration, and each other, to shape the community we love. We invite you to join in this endeavor to create opportunities for business growth in San Marcos.

Thank you for your support and commitment to the San Marcos community.

To donate please click the register button on the top left of this page.

If you have questions, or would like to contribute beyond the amount shown or be emailed an invoice please contact 760-744-1270.