

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, FEBRUARY 2, 2022, AT 5:00 P.M.
MEETING VIA TELECONFERENCE

CALL TO ORDER – PRESIDENT ELITHARP

NOTICE TO THE PUBLIC

Pursuant to Section 54953 of the California Government Code, in the interest of public health and safety during the proclaimed State of Emergency and due to the fact that State or local officials have imposed or recommended measures to promote social distancing, the Board of Directors of the Vallecitos Water District will be meeting by teleconferencing. 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 or offer in-person public comment.

Means By Which Members of the Public May Access the Teleconferenced Meeting –

Members of the public may access the teleconferenced meeting via computer, smart device, or by dialing in (audio only). If you would like to join the meeting via computer or smart device, go to the District’s website: <https://www.vwd.org/departments/board-of-directors/meetings-minutes> and click on the “Watch Live” icon. If you would like to listen to the meeting live on your phone, dial (888) 788-0099 (Toll Free) or (877) 853-5247 (Toll Free). When prompted, enter the meeting ID and Passcode displayed on the District’s website.

Means By Which Members of the Public May Offer Public Comment During the Teleconferenced Meeting

– Members of the public are **not** required to submit public comments in advance of the meeting and will be given an opportunity to address the Board of Directors and offer comments in real time. Written public comments or questions may be submitted at least 90 minutes before the Meeting to the following email address: PublicComment@vwd.org.

Members of the public attending the meeting via the Zoom videoconferencing platform can express their desire to offer public comment or provide input on an agenda item at the appropriate time by utilizing the “Raise Hand” function. Persons who have dialed into the meeting and would like to make a comment can enter *9 on their phone and will be identified by their phone number when it is their turn to speak. Additional instructions for online participation will be posted on the District’s website: www.vwd.org/meetings.

PLEDGE OF ALLEGIANCE

ROLL CALL

Items may be added to the Agenda in accordance with Section 54954.2(b)(2) of the Government Code upon a determination by a majority vote of the Vallecitos Board that an emergency situation exists, as defined in Section 54956.5, or upon a determination by a two-thirds vote of the Board present at the meeting, or, if less than two-thirds of the Board are present, a unanimous vote of Board members present, that there is a need to take immediate action and that the need for action came to the attention of the Vallecitos Water District subsequent to the agenda being posted.

ADOPT AGENDA FOR THE REGULAR MEETING OF FEBRUARY 2, 2022

PUBLIC COMMENT

Persons wishing to address a matter not on the Agenda may be heard at this time by utilizing the “Raise Hand” feature of the Zoom videoconferencing platform. Public comment should start by stating name, address and topic. No action or discussion may be undertaken on any item not appearing on the Agenda, except that the Board or staff may briefly respond to statements made or questions posed during public comment. Public comments are limited to three minutes. Public comment on items appearing on the Agenda should be raised at the time the item is discussed.

PRESENTATION

The District received three President’s Special Recognition Awards from the Association of California Water Agencies Joint Powers Insurance Authority.

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. 9-19)

- A. PUBLIC AWARENESS/PERSONNEL/POLICY COMMITTEE MEETING – JANUARY 10, 2022
- B. CLOSED SESSION BOARD MEETING – JANUARY 12, 2022
- C. SPECIAL BOARD MEETING – JANUARY 12, 2022

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

1.2 WARRANT LIST THROUGH FEBRUARY 2, 2022 - \$7,073,155.12 (pp. 20-22)

Recommendation: Approve Warrant List

1.3 OPERATIONS & MAINTENANCE METRICS QUARTERLY REPORT – DECEMBER 31, 2021 (pp. 23-31)

1.4 AWARD OF CONSTRUCTION CONTRACT FOR THE REPAIR OF ASPHALT ROADS (pp. 32)

A large number of asphalt patches currently require permanent repair.

Recommendation: Authorize the General Manager to Execute a Contract with PAL General Engineering, Inc.

- 1.5 AWARD OF CONSTRUCTION CONTRACT FOR THE VAULT NET FALL PROTECTION INSTALLATION PROJECT (pp. 33-39)

Installation of safety nets on access hatches will allow staff to safely access underground vaults when making system adjustments or performing maintenance operations.

Recommendation: Authorize the General Manager to Execute a Contract with Versatile Systems, Inc.

- 1.6 APPROVAL OF CONSTRUCTION, TEMPORARY OFF-SITE SEWER SERVICE, AND REIMBURSEMENT AGREEMENTS FOR SUNRISE ORIX RESIDENTIAL DEVELOPMENT SEWER IMPROVEMENTS (CAL HEARTHSTONE LOT OPTION POOL 01, LP) (pp. 40-80)

The development consists of two parcels located south of Barham Drive and west of Meyers Avenue, totaling 14.36 acres.

Recommendation: Approve the Construction, Temporary Off-Site Sewer Service, and Reimbursement Agreements

- 1.7 FINDINGS TO CONTINUE HOLDING REMOTE/TELECONFERENCE MEETINGS PURSUANT TO ASSEMBLY BILL 361 (pp. 81-82)

Assembly Bill 361 requires a legislative body holding fully or partially virtual meetings to make certain findings at least every 30 days in order to continue holding such meetings.

Recommendation: Make Findings and Determinations Regarding Remote/Teleconference Meetings

- 1.8 NEW BENEFITS FOR EMPLOYEES IN MANAGEMENT POSITIONS (pp. 83-86)

The proposed new benefits may be beneficial for the District's recruitment and hiring process for managers.

Recommendation: Adopt Resolution Approving Three New Benefits for Management Employees

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

ACTION ITEM(S)

- 2.1 SCHOLARSHIP CONTEST RECOMMENDATION (pp. 87-88)

The Public Awareness/Personnel/Policy Committee has been reviewing the subject of providing scholarships to local students.

Recommendation: Implement an Annual Scholarship Program

- 2.2 RESOLUTION OF THE BOARD OF DIRECTORS IN SUPPORT OF CITY OF SAN MARCOS ORDINANCE 2021-1507 RESTRICTING THE USE OF SINGLE-USE PLASTIC FOOD SERVICE WARE (pp. 89-91)

The District is committed to ongoing efforts to reduce the usage of products that are harmful to the environment.

Recommendation: Adopt the Resolution

*******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
- *Board of Directors Meeting*
- *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, Ann Johnson, Administrative 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, January 28, 2022.

Ann Johnson

President's Special Recognition Award

*The President of the
ACWA JPIA
hereby gives Special Recognition to*

Vallecitos Water District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Liability Program for the period 10/01/2017 - 09/30/2020
announced at the Board of Directors' Meeting in Pasadena.*

E. G. "Jerry" Gladbach

E. G. "Jerry" Gladbach, President



December 15, 2021

President's Special Recognition Award

*The President of the
ACWA JPIA
hereby gives Special Recognition to*

Vallecitos Water District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Property Program for the period 04/01/2017 - 06/30/2020
announced at the Board of Directors' Meeting in Pasadena.*

E. G. "Jerry" Gladbach

E. G. "Jerry" Gladbach, President



December 15, 2021

President's Special Recognition Award

*The President of the
ACWA JPIA
hereby gives Special Recognition to*

Vallecitos Water District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Workers' Compensation Program for the period 07/01/2017 - 06/30/2020
announced at the Board of Directors' Meeting in Pasadena.*

E. G. "Jerry" Gladbach

E. G. "Jerry" Gladbach, President



December 15, 2021

MINUTES OF A MEETING OF THE
PUBLIC AWARENESS/PERSONNEL/POLICY COMMITTEE
OF THE VALLECITOS WATER DISTRICT
MONDAY, JANUARY 10, 2022 AT 10:00 A.M.
AT THE DISTRICT OFFICE IN THE BOARD ROOM
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

Director Boyd-Hodgson called the meeting to order at the hour of 10:00 a.m.

Present: Director Boyd-Hodgson
Director Pennock
General Manager Pruum
Assistant General Manager Gumpel
Public Information/Conservation Supervisor Robbins
Administrative Secretary Johnson

PUBLIC COMMENT

None.

ITEMS FOR DISCUSSION

PERSONNEL

General Manager Pruum gave a brief update on the COVID situation at the District. Due to the recent increase in cases of the highly contagious omicron variant, staff is considering having more employees telecommute with fewer employees in the office.

PUBLIC AWARENESS

(NEW BUSINESS) REDISTRICTING MAPS UPDATE

Assistant General Manager Gumpel provided an update on the redistricting process which included:

- Process Schedule
- Redistricting Overview
- Division Boundary Changes Option One
 - Latino Population
- Division Boundary Changes Two
 - Latino Population
- Hispanic, Latino or Spanish Origin Population by Division

Assistant General Manager Gumpel stated the process is on schedule although there was a delay while waiting for census block data to be released. Public hearings are tentatively scheduled for the February 16, 2022, and March 16, 2022, Board meetings to provide the opportunity for public input. After their review, the District's legal counsel determined that the current divisions require modification. Redistricting maps will be circulated to the public this month.

(OLD BUSINESS) UPDATE ON VWD SCHOLARSHIP PROGRAM

Public Information/Conservation Supervisor Robbins reviewed the Committee's recommended scholarship program parameters to be presented to the Board for consideration:

- Offer \$1,000 scholarships to one college student at Cal State San Marcos and Palomar College, as well as one senior high school student at each of the high schools (Mission Hills, San Marcos High, Foothill/Twin Oaks, and High Tech High North County) for a total cost of \$6,000 annually.
- Payment will be made to the students.
- Students will be required to submit an application, an essay, a letter of recommendation and a financial needs worksheet, all of which will be reviewed by this Committee. This Committee will recommend scholarship recipients to the Board.

The next steps after Board approval are for staff to consult with legal counsel concerning any legal issues pertaining to the application process/timeline and for staff to develop an outreach effort to get the information out to college and high school students.

General discussion took place regarding whether scholarship recipients should be required to present receipts in order to receive funds. The Committee recommended providing the funds upfront and asking the students to report back to the Board on how the funds were spent.

This item will be presented to the Board for approval.

(OLD BUSINESS) UPDATE ON BILL DEAN PROGRAM

General Manager Pruim stated there was no new information on this item. The program is targeted for March or April. Mr. Dean is in the process of developing the program and selecting a school to participate.

POLICY

(NEW BUSINESS) RECOMMENDATIONS FOR ORDINANCE NO. 216 GOVERNING THE COMMITTEES AND LEADERSHIP STRUCTURE OF THE BOARD

Director Boyd-Hodgson stated her concern with District Ordinance No. 216 which provides that Board members will be given the opportunity to serve as Board President once during their first term on the Board. Ordinance No. 216 does not address the office of Vice President; however, per past practice, the Vice President becomes President according to the rotation that has been used for many years. At the December 15, 2021, Board meeting, Director Hernandez was named Vice President for 2022 according to the rotation. Director Boyd-Hodgson stated that either she or Director Pennock should have been named Vice President in order to comply with Ordinance No. 216.

General Manager Pruim stated the Committee was going to be reviewing Ordinance No. 216 in its entirety as part of the Committee's task to review ordinances, resolutions and policies, and suggested the Committee review Section 1.9, B of the ordinance pertaining to the office of the President first.

General discussion took place regarding how to resolve the conflict between the ordinance and past practice. General Manager Pruim suggested this issue could be addressed in December 2022, complying with the ordinance and deviating from past practice, by naming either Director Boyd-Hodgson or Director Pennock President in 2023.

This item will be placed on the next Board agenda for further discussion with the Board.

(OLD BUSINESS) UPDATE ON SINGLE USE PLASTICS RESOLUTION

Public Information/Conservation Supervisor Robbins provided a draft resolution in support of the City of San Marcos' recently passed ordinance restricting the use of single-use plastic food service ware. He requested the Committee's input on the draft resolution.

The Committee directed staff to strike out the paragraph relating to the California State Legislature. Staff will have legal counsel review the resolution and then place it on the February 2, 2022, Board agenda for adoption.

(OLD BUSINESS) PRIORITIZATION OF ORDINANCES/RESOLUTIONS/POLICIES REVIEW

General Manager Pruim stated Ordinance No. 216 will be placed on the next Committee agenda for review of the entire ordinance in greater detail.

NEXT MEETING DATE – FEBRUARY 7, 2022

The next Committee meeting is scheduled for 10:00 a.m. on Monday, February 7, 2022.

ADJOURNMENT

There being no further business to discuss, the meeting adjourned at the hour of 11:14 a.m.

MINUTES OF A CLOSED SESSION MEETING
OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, JANUARY 12, 2022, AT 3:30 PM, AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Sannella called the Closed Session meeting to order at the hour of 3:32 p.m.

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

Staff Present: General Manager Pruim
Legal Counsel Gilpin
Assistant General Manager Gumpel
Information Technology Supervisor Labarrere
Administrative Secretary Johnson

Others Present: Andre Monett, Best Best & Krieger

ADDITIONS TO THE AGENDA

None.

ADOPT AGENDA FOR THE CLOSED SESSION MEETING OF JANUARY 12, 2022

22-01-01 MOTION WAS MADE by Director Sannella, seconded by Director Hernandez, and carried unanimously, to adopt the agenda for the Closed Session Meeting of January 12, 2022.

PUBLIC COMMENT

None.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Significant Exposure to Litigation

Per Government Code Section 54956.9(c) – One Potential Case

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Per Government Code Section 54956.8 – Property: South Lake Property; Agency Negotiator: Glenn Pruim; Negotiating Parties: City of San Marcos; Under Negotiations: Price and Terms

CONFERENCE WITH LABOR NEGOTIATORS

Per Government Code Section 54957.6 – Agency Designated Representatives: Glenn Pruim and Rhondi Emmanuel; Employee Organization: Vallecitos Water District Employees Association and Unrepresented Employees

22-01-02 MOTION WAS MADE by Director Boyd-Hodgson, seconded by Director Pennock, and carried unanimously, to move into Closed Session pursuant to Government Code Sections 54956.9(c), 54956.8, and 54957.6.

REPORT AFTER CLOSED SESSION

The Board adjourned to Open Session at 4:56 p.m. There was no reportable action from the Closed Session Meeting.

ADJOURNMENT

There being no further business to discuss, President Elitharp adjourned the Closed Session Meeting of the Board of Directors at the hour of 4:57 p.m.

A Special Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, January 12, 2022, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

Craig Elitharp, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruim, Secretary
Board of Directors
Vallecitos Water District

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, JANUARY 12, 2022, AT 5:00 PM, AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Elitharp called the Special 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 Pruum
Assistant General Manager Gumpel
Legal Counsel Gilpin
Administrative Services Manager Emmanuel
Finance Manager Owen
Operations & Maintenance Manager Pedrazzi
Capital Facilities Senior Engineer Morgan
Development Services Senior Engineer Lopez
Capital Facilities Engineer Santos
Asset Management Supervisor Bowman
Information Technology Supervisor Labarrere
Public Information/Conservation Supervisor Robbins
Administrative Secretary Johnson

Director Boyd-Hodgson led the pledge of allegiance.

ADDITIONS TO THE AGENDA

None.

ADOPT AGENDA FOR THE SPECIAL MEETING OF JANUARY 12, 2022

22-01-03 MOTION WAS MADE by Director Boyd-Hodgson, seconded by Director Hernandez, and carried unanimously, to adopt the agenda for the Special Board Meeting of January 12, 2022.

PUBLIC COMMENT

Gayle Martin, member of the public, commented on the District's reserves levels, rate increases, and the developer fund deficit, and inquired about the date for the public workshop.

PRESENTATION

Public Information/Conservation Supervisor Robbins presented videos created by staff that were submitted to the California Water Environment Association (CWEA) for awards. The District will receive three CWEA awards on January 29, 2022: Tertiary Recycled Water Plant

of the Year, O&M Operator of the Year, and Community Engagement and Outreach Best Use of Social Media.

CONSENT CALENDAR

22-01-04 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

A. Regular Board Meeting – December 15, 2021

1.2 Warrant List through January 12, 2022 - \$4,652,066.44

1.3 Financial Reports

A. Water Meter Count – December 31, 2021

B. Water Production/Sales Report – 2021/2022

C. Quarterly Financial Report – December 31, 2021

D. Per Capita Water Consumption – December 31, 2021

E. Water Revenue and Expense Report – December 31, 2021

F. Sewer Revenue and Expense Report – December 31, 2021

G. Reserve Funds Activity – December 31, 2021

H. Investment Report – December 31, 2021

I. Legal Fees Summary – December 31, 2021

1.4 Approval of Construction Agreement Extension for St. Stefan Terrace 4 Lot Subdivision (Alex Ahmadian)

1.5 Asterra Utilis Satellite Leak Detection Collaboration Project with San Diego County Water Authority

1.6 Award of Construction Contract for the Twin Oaks Reservoir No. 1 Fall Protection Installation

1.7 Request to Start New Employee at Step G of the Salary Range

ACTION ITEM(S)

WATER SUPPLY CONDITIONS UPDATE

Public Information/Conservation Supervisor Robbins facilitated a presentation, Update on Water Supply Conditions, as follows:

- Vallecitos Currently in a Level 1 – Drought Watch
- Northern Sierra 8-Station Precipitation Index

- Snowpack Water Content
- California Reservoir Storage
- Colorado River Status
- Three-Month Temperature Outlook
- Three-Month Precipitation Outlook
- State Water Board Emergency Regulations
- Estimated Residential Gallons Per Capita Per Day
- Conclusion

This item was presented for information only.

CONSTRUCTION CONTRACT AWARD FOR SAGE CANYON TANK REFURBISHMENT PROJECT

Capital Facilities Senior Engineer Morgan stated the Sage Canyon Tank, built in 2000 and last inspected in 2018, requires full refurbishment due to deterioration of the existing interior epoxy coating and exterior epoxy/urethane paint systems. He reviewed the staff report regarding the project including the bidding process and budget summary.

Staff recommended the Board approve an increase to the project budget by \$551,089 to total \$1,706,089, and authorize the General Manager to execute a task order with Harper & Associates Engineering in the amount of \$62,620 for construction phase inspection services and a construction contract with Advanced Industrial Services, Inc. in the amount of \$1,438,180 for the Sage Canyon Tank Refurbishment Project, subject to the provisions of the contract.

General discussion took place.

22-01-05 MOTION WAS MADE by Director Sannella, seconded by Director Boyd-Hodgson, and carried unanimously, to approve staff's recommendations.

AWARD OF CONSTRUCTION CONTRACT FOR MEADOWLARK WATER RECLAMATION FACILITY TERTIARY STRUCTURAL REHAB AND REPAIRS

Capital Facilities Senior Engineer Morgan provided background information on the tertiary treatment process at the Meadowlark Water Reclamation Facility, installed in 1981 with three filters and later expanded to six filters in 2005. He reviewed the staff report which details the proposed structural rehab and repairs, bidding process, scope of work, and budget summary.

Staff recommended the Board approve a project budget increase in the amount of \$318,923 to total \$1,033,923 and authorize the General Manager to execute a construction contract with Filanc in the amount of \$773,000, subject to the provisions of the contract.

General discussion took place.

22-01-06 MOTION WAS MADE by Director Hernandez, seconded by Director Pennock, and carried unanimously, to approve staff's recommendations.

DISCUSSION REGARDING IN-PERSON PUBLIC MEETINGS

General Manager Pruim stated that from March 18, 2020, to October 20, 2021, the District conducted all public meetings, including Board and Committee meetings, via the Zoom videoconferencing platform as permitted by Executive Orders issued by Governor Newsom due to the COVID-19 pandemic. The portions of the Executive Orders pertaining to teleconference meetings expired on September 30, 2021, and were replaced by Assembly Bill (AB) 361 effective October 1, 2021. AB 361 requires agencies to take certain actions based on findings to continue conducting meetings virtually. The Board did not take action at the October 20, 2021, Board meeting to continue virtual meetings, thus requiring in-person public meetings.

General Manager Pruim further stated cases of the omicron variant of the COVID virus are currently surging. Many local agencies are returning to virtual meetings, including the City of San Marcos. If the Board wishes to return to virtual meetings, the majority of the Board must make a finding that in-person meetings will present an imminent risk to the health and safety of meeting attendees, and the Board must take subsequent action every 30 days to continue to meet virtually. If the Board wishes to continue in-person meetings, the Board does not need to take action. Currently, facial coverings are required for all attendees regardless of vaccination status. General Manager Pruim recommended the return to virtual meetings as the surge has hit the District hard operationally.

General discussion took place.

22-01-07 MOTION WAS MADE by Director Sannella, seconded by Director Boyd-Hodgson, and carried 3 – 2, with Directors Hernandez and Pennock voting no, to return Board and Committee meetings to a virtual format to be reconsidered every 30 days with the finding that State and local officials continue to impose or recommend measures to promote social distancing during the continued state of emergency.

SELECTION OF PRESIDENT AND VICE PRESIDENT

General Manager Pruim stated District Ordinance No. 216 provides guidance on the annual Board reorganization which typically takes place at the first Board meeting in December. The ordinance stipulates that each Director will have the opportunity to hold the office of President once during their first term; however, it does not address the Vice President.

General Manager Pruim further stated it has been the District's practice to rotate the President and Vice President based on the division each Director represents. If the Board continues the rotation, it will eventually conflict with Section 1.9 B of Ordinance No. 216. If the Board chooses not to modify the ordinance, the conflict could be avoided by appointing either Director Boyd-Hodgson or Director Pennock as President in December 2022 and 2023. This item was requested by Director Boyd-Hodgson and discussed at the Public Awareness/Personnel/Policy Committee (P3) meeting on January 10.

General discussion took place. It was noted that there are other areas of Ordinance No. 216 that need to be reviewed. The consensus of the Board was to direct the P3 Committee to review Ordinance No. 216 in its entirety.

GENERAL MANAGER

General Manager Pruim reported the following:

- The District seal displayed on the wall behind the dais in the Board Room has been refreshed with new paint.
- The District was scheduled to receive a proclamation from the City of San Marcos in January for the District's assistance with the hydration station installations; however, the City Council's in-person meeting was cancelled due to COVID. The presentation will be rescheduled for the City Council's next in-person meeting on a date to be determined.
- The January 19, Regular Board meeting has been cancelled. There was going to be a schedule conflict with a conference on that date. The conference has been cancelled; however, there is not enough time to prepare an agenda for that date. The next Board meeting is scheduled for February 2, and will be conducted virtually.

DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin stated the Driscoll litigation has been dismissed without prejudice.

SAN DIEGO COUNTY WATER AUTHORITY

President Elitharp stated the CWA Board has scheduled a Special Board meeting on January 13, to consider the AB 361 finding for continuing virtual meetings. The Regular Board meeting is scheduled for January 27.

ENCINA WASTEWATER AUTHORITY

None.

STANDING COMMITTEES

Director Boyd-Hodgson summarized discussion that took place at the January 10, 2022, Public Awareness/Personnel/Policy Committee meeting. The proposed scholarship program will be presented to the Board in the near future in addition to a resolution in support of the City of San Marcos' ordinance prohibiting the use of single-use plastic food service ware.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

None.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Hernandez requested a date be selected for the public workshop meeting regarding reserves. The meeting may be delayed until an in-person meeting is possible.

ADJOURNMENT

There being no further business to discuss, President Elitharp adjourned the Regular Meeting of the Board of Directors at the hour of 6:29 p.m.

A Regular Meeting of the Vallecitos Board of Directors has been scheduled for Wednesday, February 2, 2022, at 5:00 p.m. via teleconference.

Craig Elitharp, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruum, Secretary
Board of Directors
Vallecitos Water District

VALLECITOS WATER DISTRICT
WARRANTS LIST
February 2, 2022

PAYEE	DESCRIPTION	CHECK#	AMOUNT
CHECKS			
Garnishments	Payroll Garnishments	123303 through	123305 -
AIS Specialty Products, Inc.	Copier Lease - Dec	123306	10.13
Baker Electric Inc	MRF Facility Lighting Prj 20201-24	123307	20,432.20
Boot Barn	Safety Boots - 1 Pair	123308	145.45
Boot World Inc	Safety Boots - 3 Pairs	123309	406.66
CWEA	Collection Cert Renewal - E Pedrazzi	123310	101.00
Ferguson Enterprises, Inc	Air Vac Enclosures 4, Couplings 6	123311	6,089.44
J W D'Angelo Co Inc	Warehouse Ball Valve Order - 3	123312	858.44
Knight Security & Fire Systems	Svc - Bad Switch Replacement On Entry Door - Dist HQ	123313	104.00
Laser Cut Concrete Cutting Inc	Drilling Svcs - Storm Wet Well - MRF	123314	350.00
Union-Tribune Publishing Co.	Advertising Svcs - Water Conservation Program	123315	245.00
Lisa Urabe	Reimbursement - Board Picture Frames & Photo Prints	123316	42.72
Walters Wholesale Electric	Hardware Supplies	123317	269.38
Aqua-Metric Sales Co	3/4" Meter Stock - 150	123318	19,651.99
Boot Barn	Safety Boots - 4 Pairs	123319	436.00
Consolidated Electrical Distributors, Inc.	District Lighting LED Lamps - 100	123320	845.84
Doane & Hartwig Water Systems Inc	Odor Scrubber 2 Pump Hose Replacement - MRF	123321	449.54
Fisher Scientific LLC	Lab Supplies	123322	296.68
Grainger Inc	Hardware Supplies	123323	208.28
Haaker Equipment Co.	Hardware Supplies	123324	191.80
Hawthorne Machinery Co.	Backhoe Rental	123325	1,739.32
Jan-Pro of San Diego	Janitorial & Disinfecting Svcs Prj 20211-850 HQ, MRF, & Bldg B - Dec	123326	6,553.00
Ken Grody Ford	Veh 201 Repairs - Check Engine Light & Excessive Tail Pipe Smoke	123327	1,062.94
Pacific Pipeline Supply	Ball Valves 4, Warehouse Brass Inventory	123328	1,959.17
T.S. Industrial Supply	Hardware Supplies	123329	55.94
Garnishments	Payroll Garnishments	123330 through	123332 -
ACWA	Membership Dues 2022	123333	26,800.00
ACWA/Joint Powers Insurance	Workers' Compensation Quarter Ending 12-31-21	123334	32,996.83
ACWA/Joint Powers Insurance	Medical Insurance - Feb	123335	223,162.06
Advanced Imaging Solutions, Inc.	Copier Lease - Jan	123336	2,451.32
Air Pollution Control District	Emission Fee Renewal - 1192 Woodland Pkwy	123337	460.00
Airgas USA LLC	Purchase - 4 Multigas Detectors, Cylinder Rentals	123338	3,581.67
Airwave Mechanical	HVAC Svcs - Filter Replacements, Electrical Maintenance, Svc to Boiler Pumps - HQ & MRF	123339	27,553.76
All American Sewer Tools	Hardware Supplies	123340	87.67
Ambius	Plant Maintenance - Jan	123341	279.00
Andrea & Francisco Rodriguez	Closed Account Refund	123342	43.59
Ann Gomez	Self Improvement Program	123343	422.99
Anton & Anna Durkin	Closed Account Refund	123344	147.22
AT&T	Phone Svc - Dec	123345	1,836.95
Backflow Solutions, Inc.	Backflow Testing Dec - Qty 97	123346	1,450.15
Bearcom	District Radio Repeater Maintenance	123347	716.54
Berg Electric Corp.	Arc Flash Analysis - MRF	123348	917.35
Boncor Water Systems	Soft & Drinking Water Svc - Jan	123349	1,085.50
C.A.S.A.	Membership Dues 2022	123350	17,100.00
State Board of Equalization	Underground Storage Tank Fees Oct - Dec	123351	97.00
CCI	Water Treatment - Dec	123352	220.00
Chandler Asset Management, Inc.	Investment Management Svcs - Dec	123353	3,911.98
Christian Wheeler Engineering	Energy Management Study - Tesla Prj 20221-6	123354	594.00
Core & Main LP	Warehouse Valve Inventory Order - 6 Valves	123355	1,486.95
Core Logic Information Solutions Inc	Engineering Map Svcs - Dec	123356	218.55
Corpro Companies	Closed Account Refund	123357	620.35
CWEA	Membership Renewal - R Morgan	123358	192.00
CWEA	Collection Cert Renewal - J Scott	123359	96.00
Davis Farr LLP	Auditing Svcs Fiscal Year 2021	123360	3,940.00
DirecTV Inc	Satellite Svcs - Jan	123361	328.47
Ed Dufour	Closed Account Refund	123362	43.59
EDCO	Trash Svc - Dec	123363	910.30
Elaine White	Closed Account Refund	123364	404.29
Electrical Sales Inc	Contractor - For Sump Pump MRF, District LED Lighting	123365	1,198.00
Elizabeth Gormally	Closed Account Refund	123366	130.61
Eric Altman	Closed Account Refund	123367	64.17
Escondido Metal Supply	Hardware Supplies	123368	165.94
Fabiola Real	Self Improvement Program	123369	1,250.00
Fleet Pride	Parts Veh 231, Shop Tools	123370	564.97
G & R Auto & Truck Repair Inc	Annual Diesel Smoke Testing - 7 Vehicles, Sensor Repair Veh 259	123371	1,069.89
Grand Little Homes LLC	Closed Account Refund	123372	149.54
Granicus, LLC	Website Hosting Svcs - Maintenance, Hosting, & Licensing - 2022	123373	11,081.17

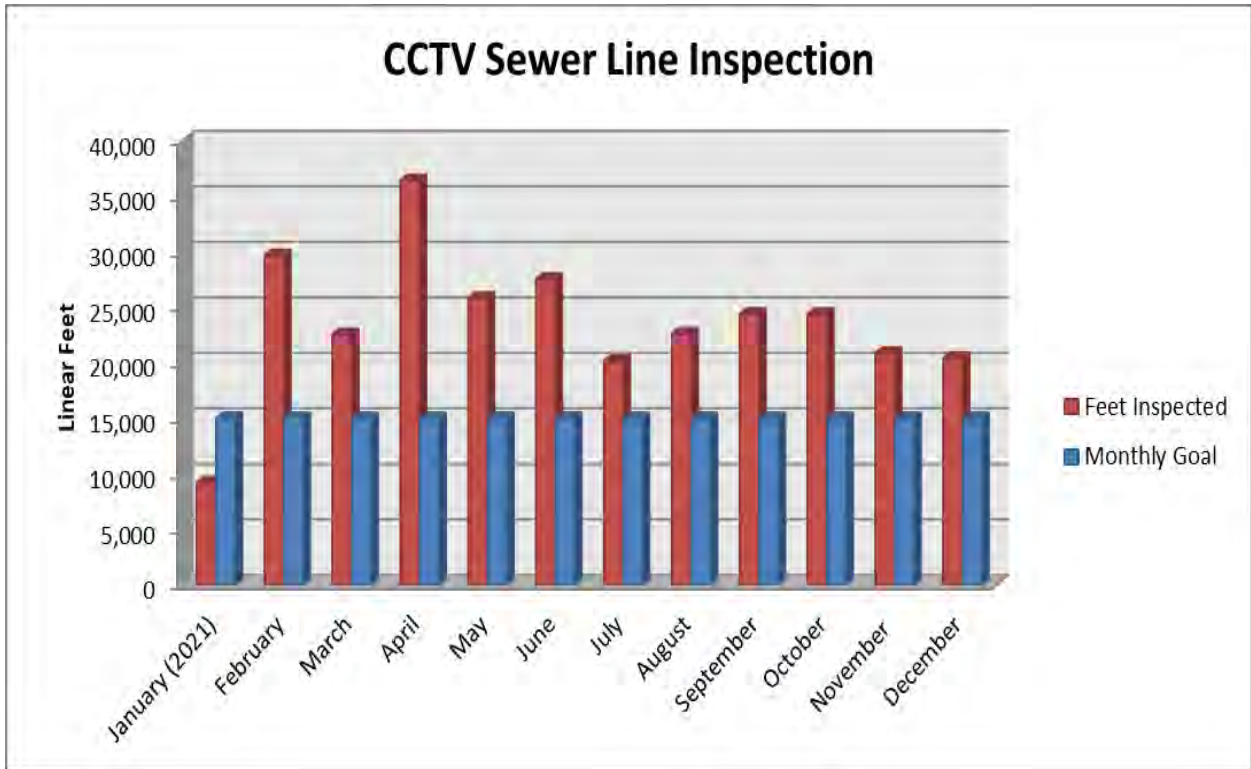
VALLECITOS WATER DISTRICT
WARRANTS LIST
February 2, 2022

PAYEE	DESCRIPTION	CHECK#	AMOUNT
Haaker Equipment Co.	Slither Hose Stock - 2	123374	4,525.50
Hach Company	Water Quality Testing Supplies	123375	1,113.72
David L Harmon	Reimbursement - After Hour Meals For Construction Crew	123376	51.51
Haroon Saily	Closed Account Refund	123377	30.10
Corey Harrell	Reimbursement - ACWA Cert & Membership Renewal	123378	293.00
Harris	Gems Fixed Assets Training	123379	400.00
Home Depot Credit Services	Hardware Supplies - Dec	123380	212.37
Icon Utility Services	Closed Account Refund	123381	919.61
Infosend Inc	Postage, Printing, & Support Fee - Dec	123382	6,299.34
Ingrid Stichter	Self Improvement Program	123383	562.25
Integrity Municipal Services LLC	Hardware Supplies	123384	60.34
Interstate Batteries	Vehicle Batteries - 4	123385	598.56
Irwin Painting & Finishing Inc	Painting of Carwash and Bldg E Prj 20221-18	123386	69,701.00
J W D'Angelo Co Inc	Air Vac Covers - 3	123387	924.07
Jack Henry & Assoc Inc	Remit Plus Svc - Dec	123388	128.52
Jan-Pro of San Diego	Floor & Carpet Cleaning - MRF	123389	1,118.00
Jennifer Maurer	Closed Account Refund	123390	21.09
Joan Smith	Closed Account Refund	123391	79.31
JCI Jones Chemicals Inc	Chlorine	123392	3,576.70
Kennedy/Jenks Consultants	San Marcos Interceptor Prj 71004	123393	120.00
Knight Security & Fire Systems	Patrol, Answering, & Monitoring Svcs - Jan & Commercial Annual Monitoring 2022	123394	1,098.69
KRC Property Management Inc	Closed Account Refund	123395	73.31
Lawnmowers Plus Inc	Fiberglass Poles - Waste Water Trucks - 20	123396	869.87
Mark Lee	Reimbursement - Material Needed For Completion of Backflow Cage	123397	29.01
Lloyd Pest Control	Pest Control Svcs - Jan	123398	739.00
Mali Reut	Closed Account Refund	123399	10.07
Mallory Safety & Supply, LLC	Arc Flash Safety Gear, Nitrile Glove Stock	123400	2,611.86
Mary Carmen Suarez	Closed Account Refund	123401	70.02
Matheson Tri-Gas Inc	Cylinder Rental	123402	73.97
Mike & Jan Marie Forward	Closed Account Refund	123403	157.83
Mission Resource Conservation District	Water Use Evaluations 2 Prj 20221-51	123404	235.00
Morton Salt, Inc.	Industrial Salt	123405	4,463.46
Nam Dang	Closed Account Refund	123406	13.25
North County Auto Parts	Fleet Supplies - Dec	123407	3,523.05
NV5, Inc.	Tres Amigos Water Line Prj 20201-3 & MRF Failsafe Prj 202015	123408	25,385.00
Occu Med Ltd	Medical Svcs - Dec	123409	553.01
Olivenhain MWD	Treated Water - Oct & Dec	123410	121,531.60
Opendoor Labs, Inc	Closed Account Refund	123411	89.10
Ostari Inc	IT Support Dec & Jan, Duo Software Support - Dec	123412	9,714.77
Pacific Pipeline Supply	Check Valve Replacement 2 - MRF, Brass Pipes 20, Misc. Brass Supplies	123413	7,489.81
Parkhouse Tire Inc	Fleet Tire Stock 16, Tires 4 Veh 279	123414	3,050.85
Patriot Portable Restroom Inc	Portable Restroom Rental - Jan	123415	268.40
Pencco, Inc.	Calcium Nitrate	123416	40,032.07
Pitney Bowes	Mail System Lease Nov - Feb	123417	601.80
Pitney Bowes	Postage Meter Refill	123418	1,000.00
Quantum Group	Annual Service Gifts - Sherpa Throws - 120, Quality Control Polo Shirts - 11	123419	4,353.13
Rajaa Elmouffoq	Closed Account Refund	123420	53.19
Rebecca Cunningham	Closed Account Refund	123421	352.00
Richard W. Gittings	Hillside Development Svcs - Dec	123422	1,400.00
Rick Post Welding	Welding Svcs - Coupling	123423	620.00
Road Soup LLC	Concrete Bags - 50	123424	4,887.13
Rusty Wallis Inc	Water Softener & Water System Service Dec - MRF	123425	1,072.00
Safety-Kleen Systems Inc	Parts Washer Rental	123426	460.92
San Diego County Water Authority	Water Connection Fees Quarter Ending 12-31-21	123427	239,148.00
SDG&E	Power - Dec	123428	37,716.82
San Diego Refrigeration	District Ice Machine Cleanings - 4	123429	925.68
Secureworks, Inc.	Information Security Network Monitoring Svcs - 2022	123430	43,775.00
SJ Brown	Closed Account Refund	123431	108.01
Skylark Partners Inc.	Closed Account Refund	123432	47.70
Rita Stansel	Annual Smog Testing - 7 Vehicles	123433	350.00
SSA Solar of CA 5, LLC	District Wide Solar Project Svcs	123434	12,876.52
Staples Advantage	Office Supplies - Dec	123435	717.08
State Water Resources Control	Annual Permit Fees - MRF & District HQ	123436	41,617.00
State Water Resources Control	Drinking Water Cert Renewal - T Moritz	123437	80.00
Sylvester Roofing Co Inc	Roof Repairs Bldg B & D	123438	940.60
Terra Verde Energy LLC	Energy Management Study - Tesla Prj 20221-6	123439	38,833.00
Total Resource Mgt Inc	Maximo Prime Annual Subscription & Support 21-22 & Maximo Software Upgrade	123440	79,644.03
Underground Service Alert	Dig Alert Svcs & State of CA Regulatory Fees - Jan	123441	864.45

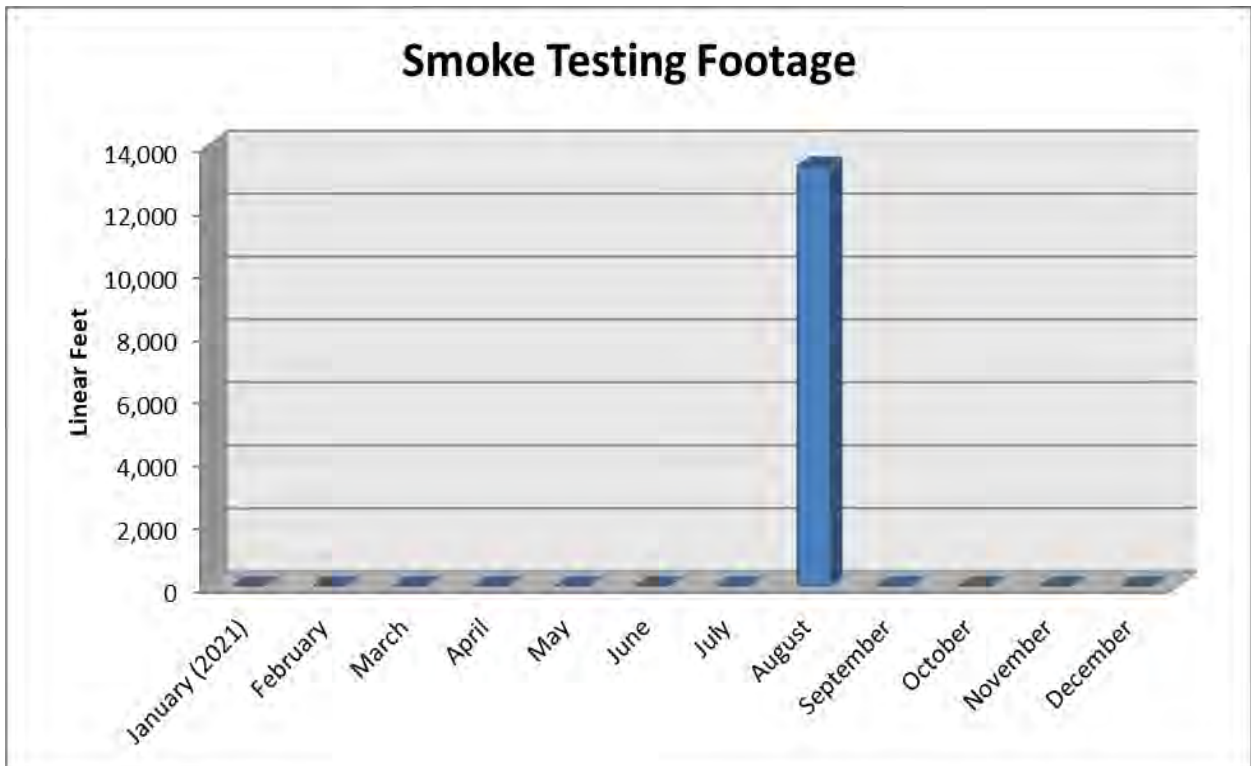
VALLECITOS WATER DISTRICT
WARRANTS LIST
February 2, 2022

PAYEE	DESCRIPTION	CHECK#	AMOUNT
Union Bank FKA 1st Bank Card	Meetings & Travel - Dec	123442	2,196.94
Union Bank FKA 1st Bank Card	Meetings & Travel - Dec	123443	1,107.18
Union Bank FKA 1st Bank Card	Meetings & Travel - Dec	123444	2,612.00
Univar USA Inc	Sodium Hypo Liquichlor, Sodium Bisulfite	123445	4,054.63
UPS	Shipping Svcs - Dec	123446	80.62
Valley CM Inc	San Marcos Interceptor Prj 71004	123447	7,268.33
Verizon Wireless	Cell Phone Svc - Dec	123448	2,315.75
Vesta Housing Solutions LLC	Covid Trailer Rental Prj 20211-850	123449	511.81
Walters Wholesale Electric	Wire Order For Valve Replacement Prj 20211-16	123450	557.61
Water Education Foundation	Membership Dues 2022	123451	11,000.00
Watereuse Association	Membership Dues 2022	123452	75.00
Waxie Sanitary Supply	Cleaning Supplies	123453	533.07
Work Partners Occupational Health Svcs	Medical Svcs - Dec	123454	330.91
WRI Golden State LLC	Closed Account Refund	123455	3,183.96
Wyatt Schapan	Closed Account Refund	123456	108.01
Action Mail	Splash Newsletter Winter 2022 Prj 20221-48	123457	7,179.38
Aqua-Metric Sales Co	2" Meters - 10	123458	12,463.66
Blue Wave Security	Back Gate Controller Replacement	123459	703.00
CDW Government Inc	Additional Adobe Software Licenses - 30	123460	8,327.80
Employment Screening Services Inc	Employment Screening Svcs	123461	33.00
Grainger Inc	Tools Veh - 226; Primer, Batteries, Kneeling Pads, Tape Measures	123462	7,390.16
Greens Escondido LLC	Cash Return In Lieu of Warranty Bonds Prj 20201-820	123463	35,083.00
Harper & Associates Inc	Sage Canyon Creek Tank Prj 20201-6	123464	1,400.00
Helm Incorporated	Ford Scan Tool Annual Software License Renewal - 2022	123465	800.00
NV5, Inc.	MRF Landscaping Improvements Prj 20221-8	123466	7,206.26
SS Mechanical Construction Corp.	Aeration Basins Prj 20191-2	123467	355,230.77
T.S. Industrial Supply	Marking Paint & Shovel Warehouse Stock	123468	748.65
Unifirst Corporation	Uniform Delivery	123469	2,234.72
Total Disbursements (161 Checks)			<u>1,732,333.56</u>
WIRES			
San Diego County Water Authority	December Water Bill	Wire	1,985,566.79
Encina Wastewater Authority	Quarterly Billing	Wire	2,291,737.49
Public Employees Retirement System	Retirement Contribution - January 11, 2022 Payroll	Wire	75,948.08
Public Employees Retirement System	Retirement Contribution - January 25, 2022 Payroll	Wire	75,867.57
Total Wires			<u>4,429,119.93</u>
PAYROLL			
Total direct deposits		Wire	234,377.02
VWD Employee Association		123303	548.00
Payroll & Garnishments	123304 through	123305	1,091.52
IRS	Federal payroll tax deposits	Wire	97,715.63
Employment Development Department	California payroll tax deposit	Wire	24,559.52
CalPERS	Deferred compensation withheld	Wire	35,215.74
VOYA	Deferred compensation withheld	Wire	13,993.96
Total January 11, 2022 Payroll Disbursements			<u>407,501.39</u>
Total direct deposits		Wire	233,950.34
VWD Employee Association		123330	566.00
Payroll & Garnishments	123331 through	123332	1,091.52
IRS	Federal payroll tax deposits	Wire	96,050.03
Employment Development Department	California payroll tax deposit	Wire	22,779.37
CalPERS	Deferred compensation withheld	Wire	32,651.36
VOYA	Deferred compensation withheld	Wire	10,340.32
Total January 25, 2022 Payroll Disbursements			<u>397,428.94</u>
Total direct deposits		Wire	60,859.33
IRS	Federal payroll tax deposits	Wire	36,556.78
Employment Development Department	California payroll tax deposit	Wire	7,755.19
VOYA	Deferred compensation withheld	Wire	1,600.00
Special Payroll Disbursements (i.e., final checks, accrual payouts, etc.)			<u>106,771.30</u>
Total Payroll Disbursements			<u>911,701.63</u>
TOTAL DISBURSEMENTS			<u><u>7,073,155.12</u></u>

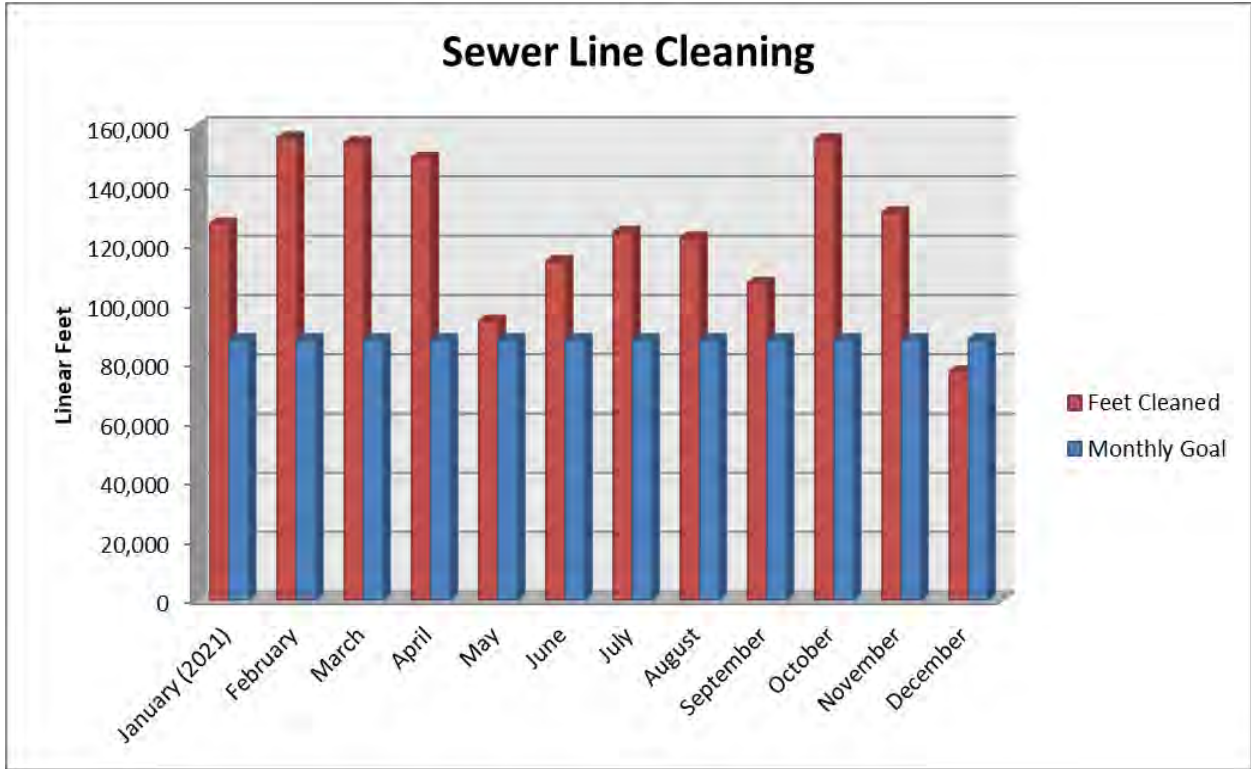
Quarterly O&M Metrics Report



CCTV Sewer Line Inspection Totals in Feet
 Total for Calendar Year 2021 = 284,180 ft.
 (Goal is to inspect at least 180,000 feet of gravity lines per calendar year)



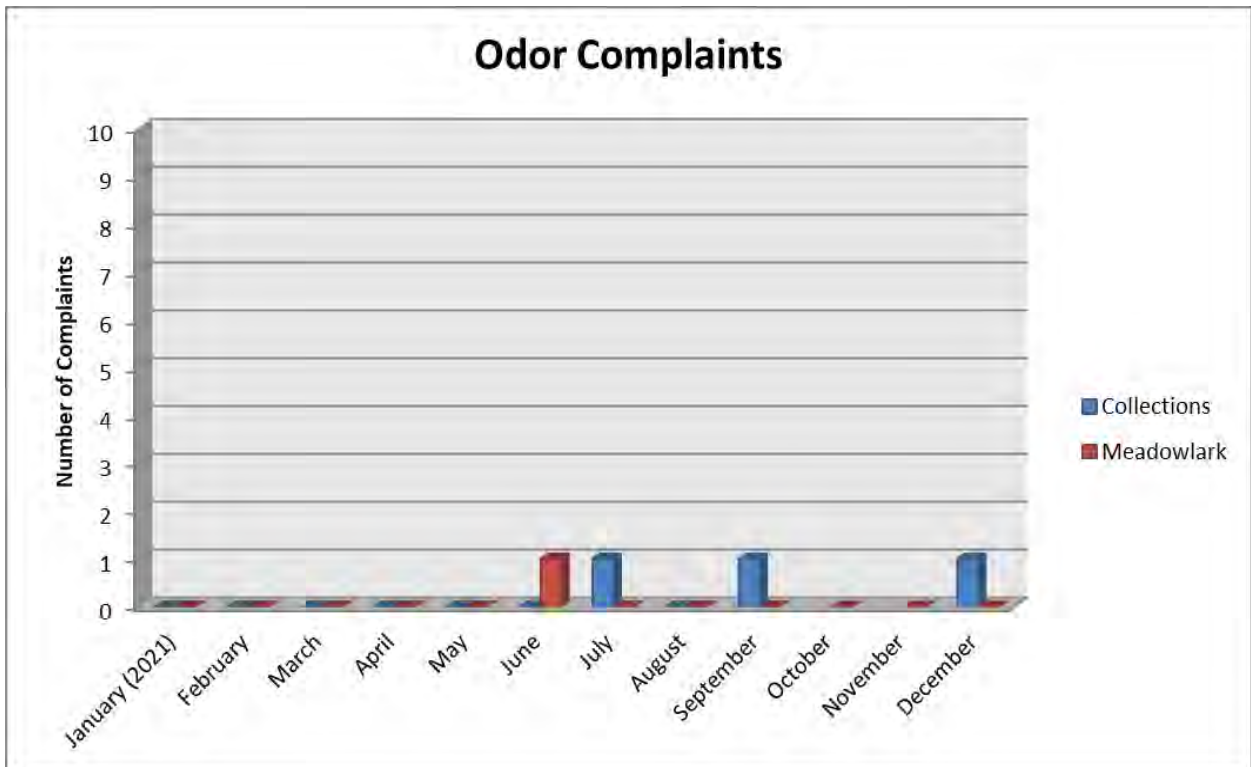
Smoke Testing of Sewer Lines in Feet
 (Goal is to smoke test three areas per calendar year based on suspected I&I)



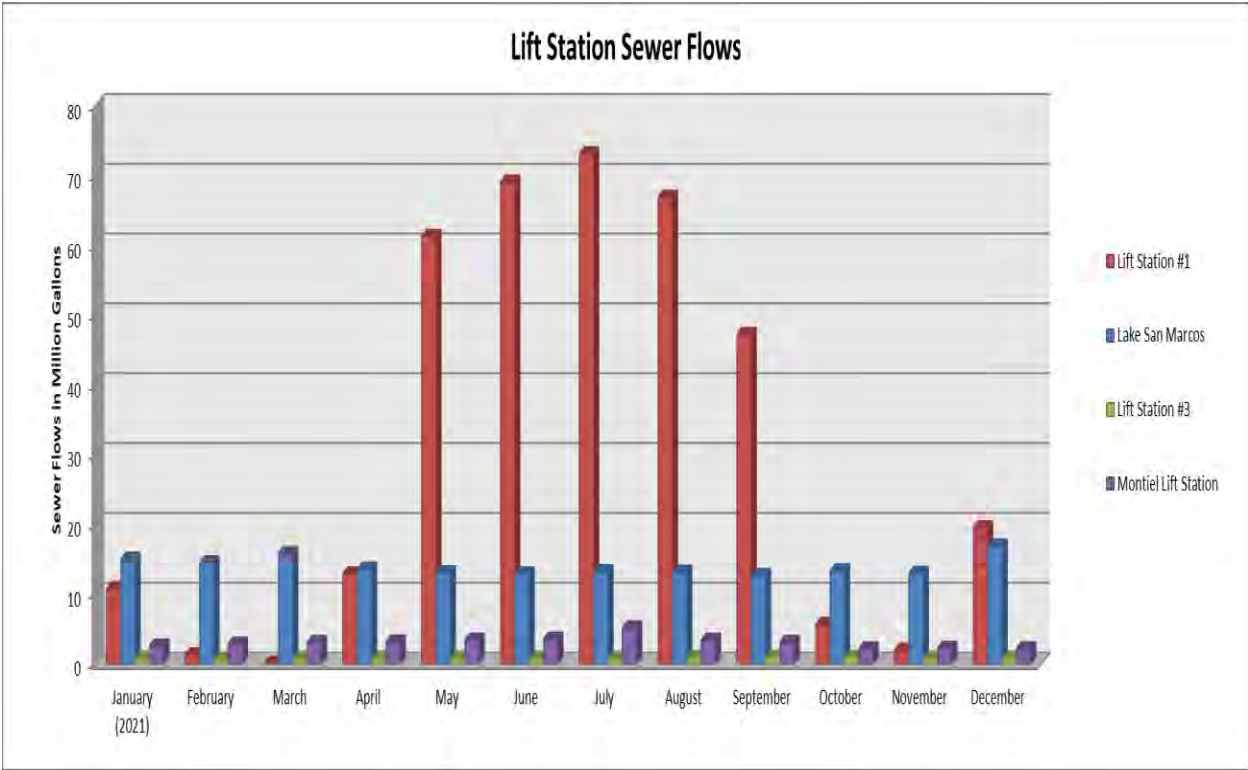
Sewer Line Cleaning Totals in Feet

Total for Calendar Year 2021 = 1,511,919 ft.

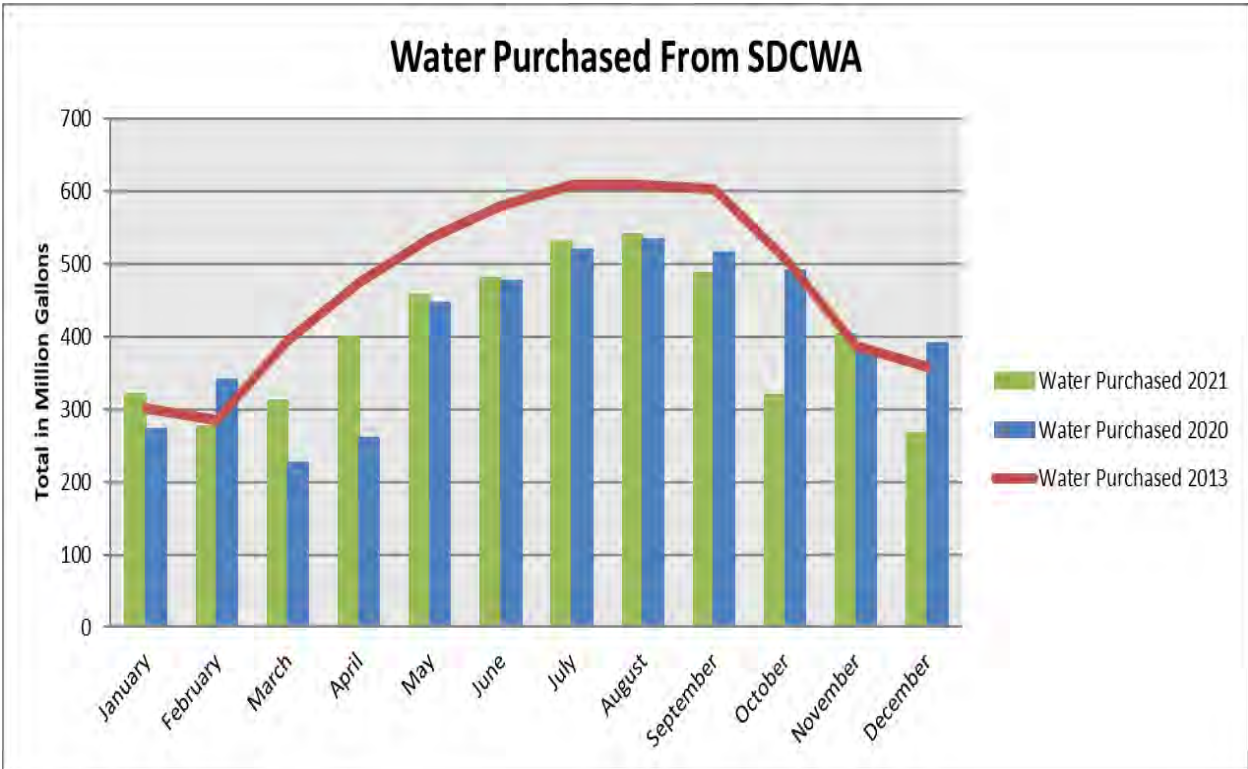
(Goal is to clean 1,000,000 ft. of gravity lines per year and clean the entire system in 15 months or less)



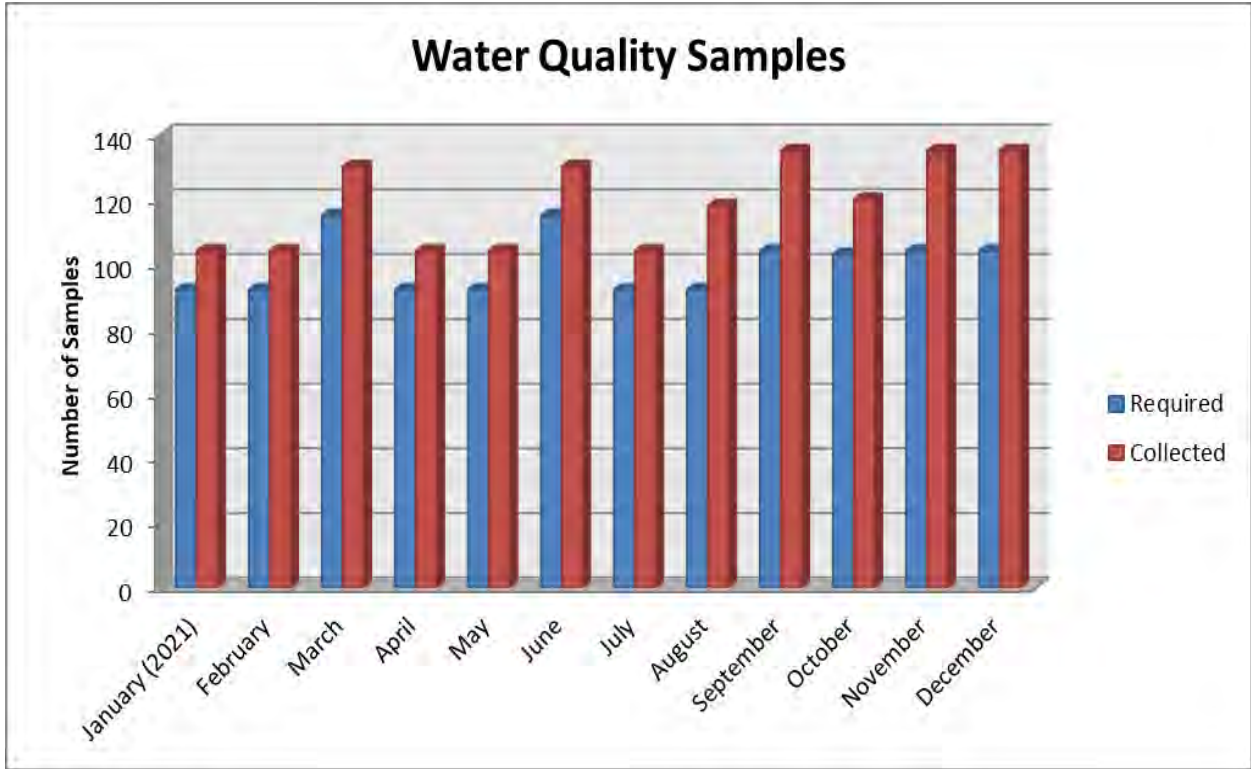
Customer Sewer Odor Complaints



Sewer Flows Pumped from District Lift Stations

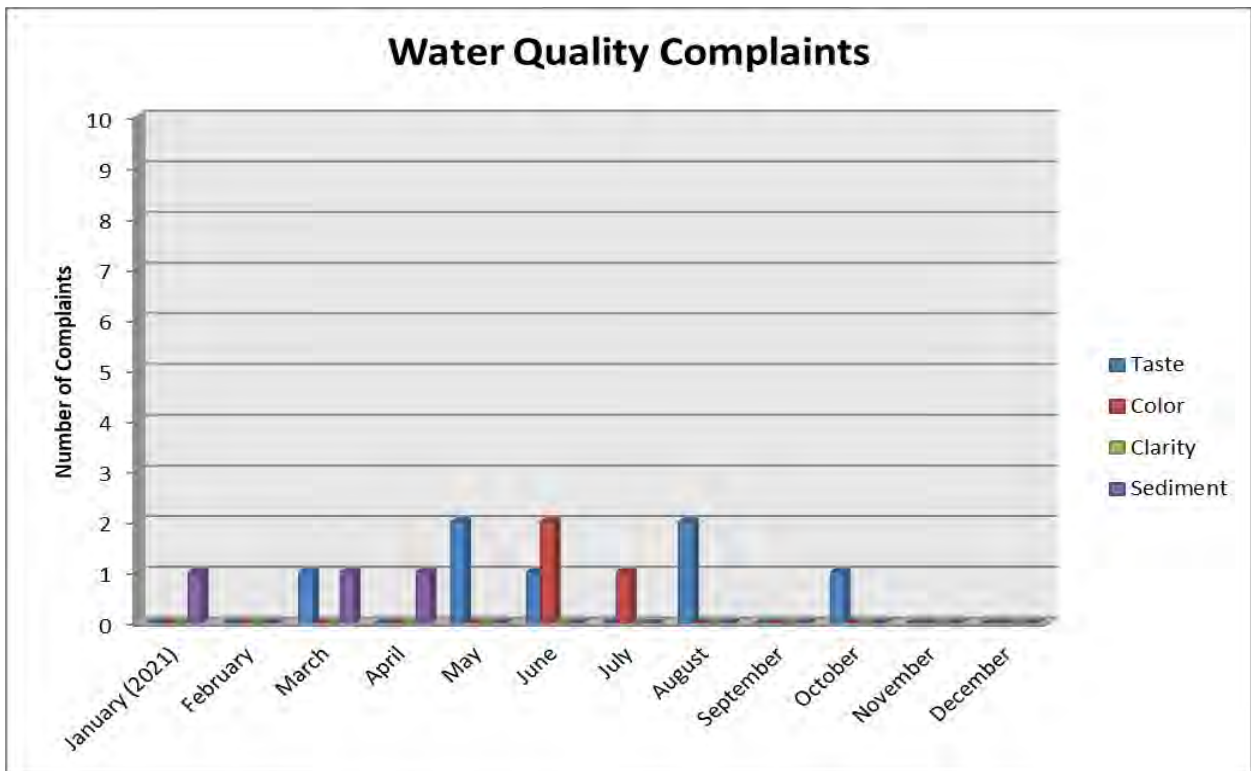


Water Purchased from the San Diego County Water Authority
 Calendar Year 2013 was used by the SWRCB as a baseline for water conservation efforts
 (Includes water from the desalination and OMWD plants)



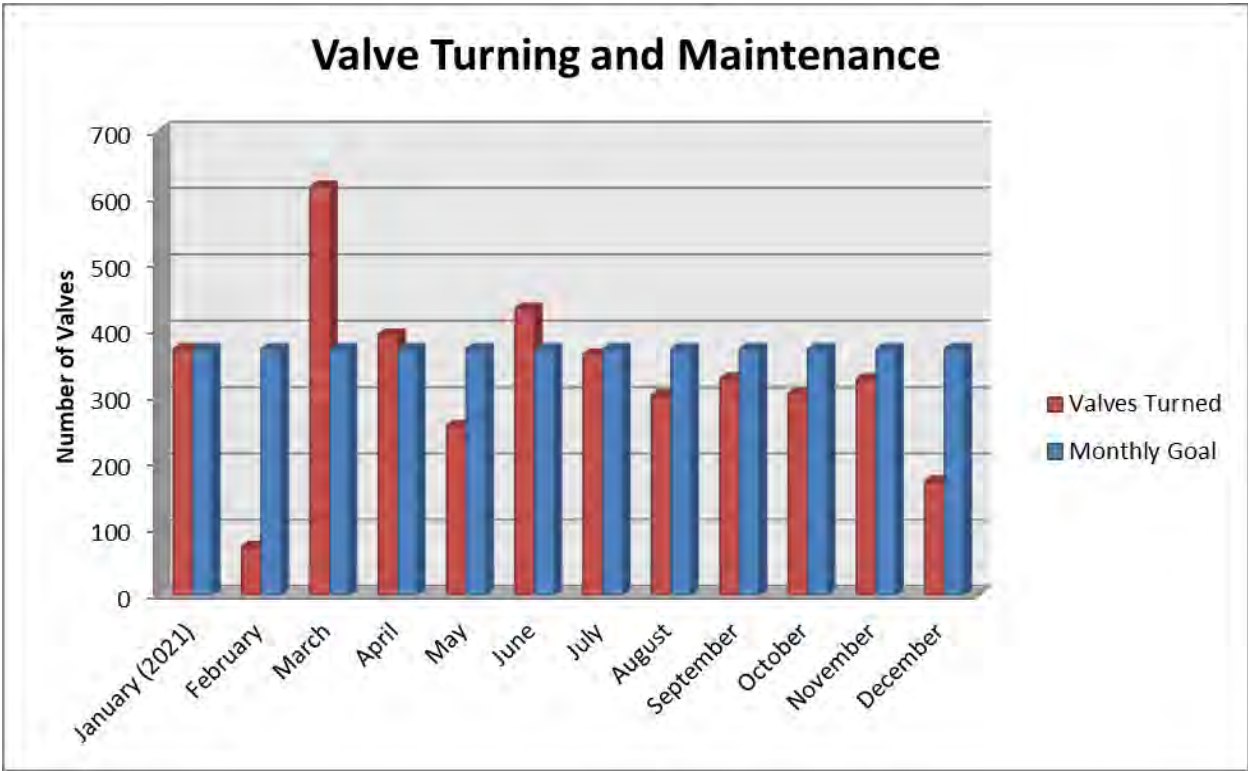
Bacteriological Water Quality Samples

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

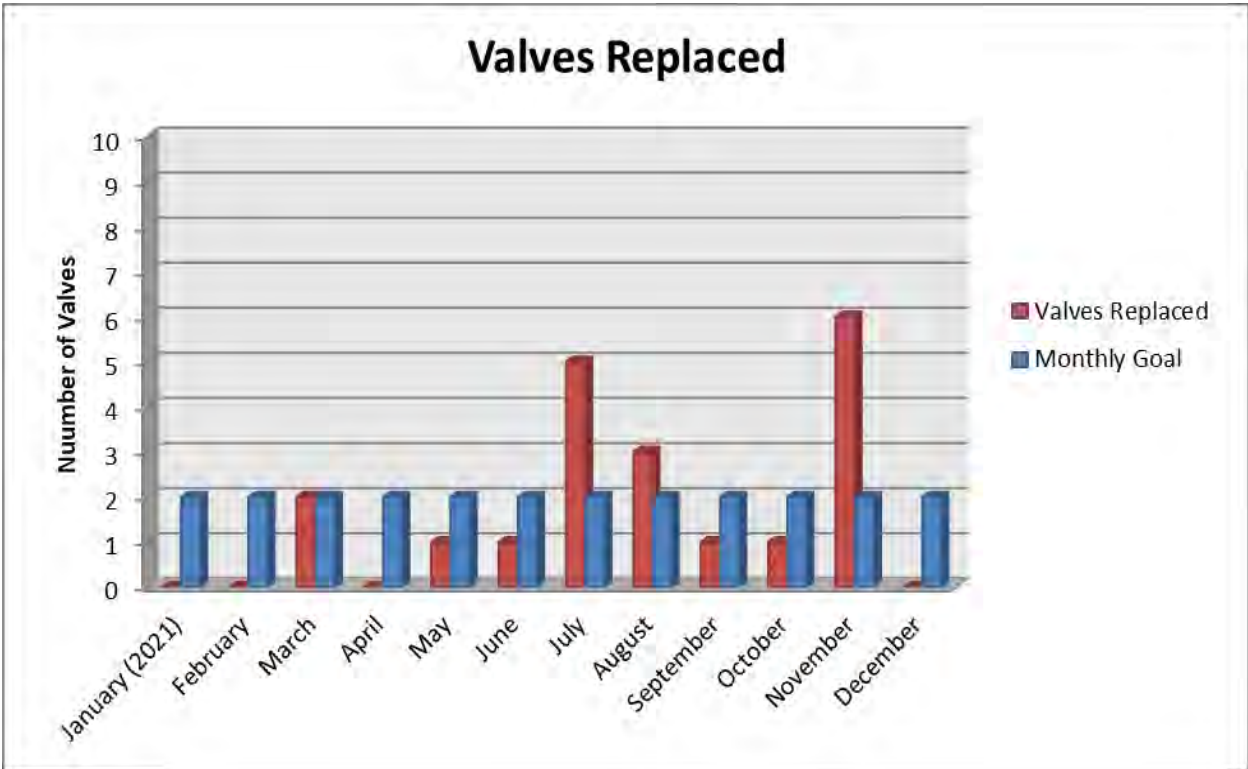


Customer Water Quality Complaints

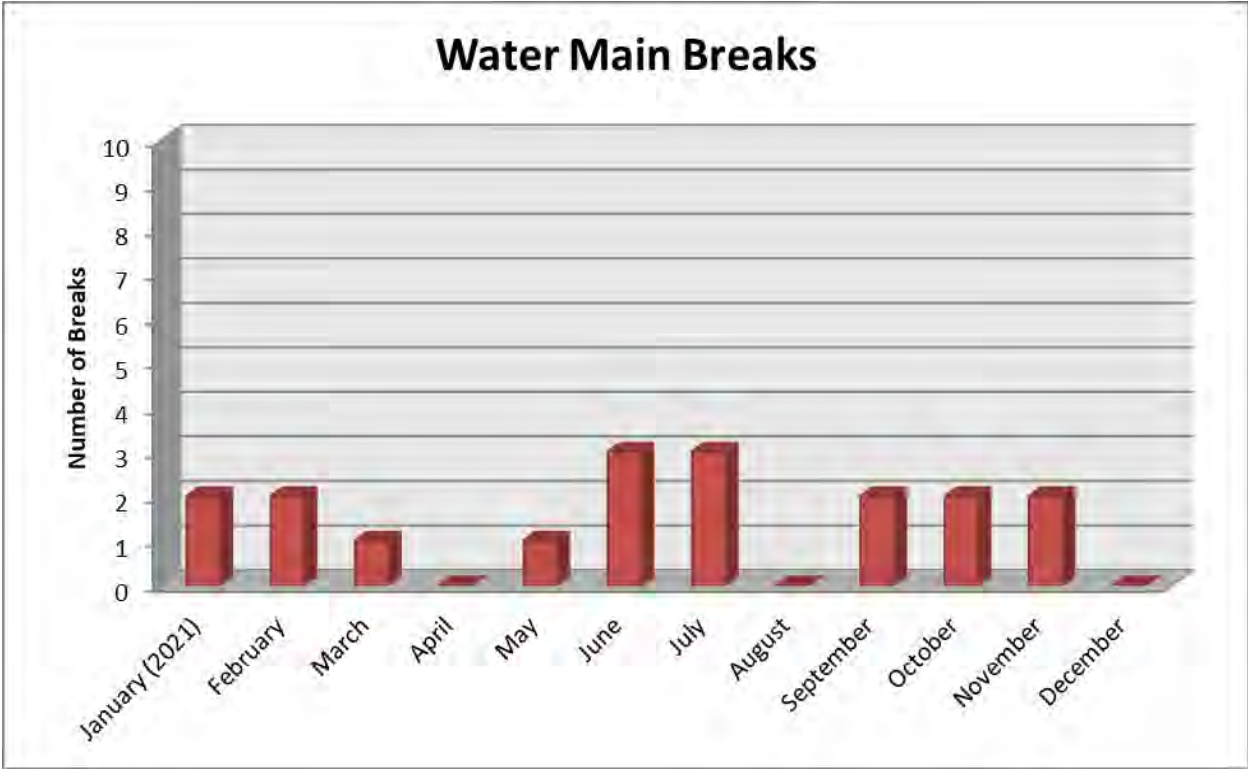
(Water quality issues are typically caused by main breaks, construction activities & customers' plumbing)



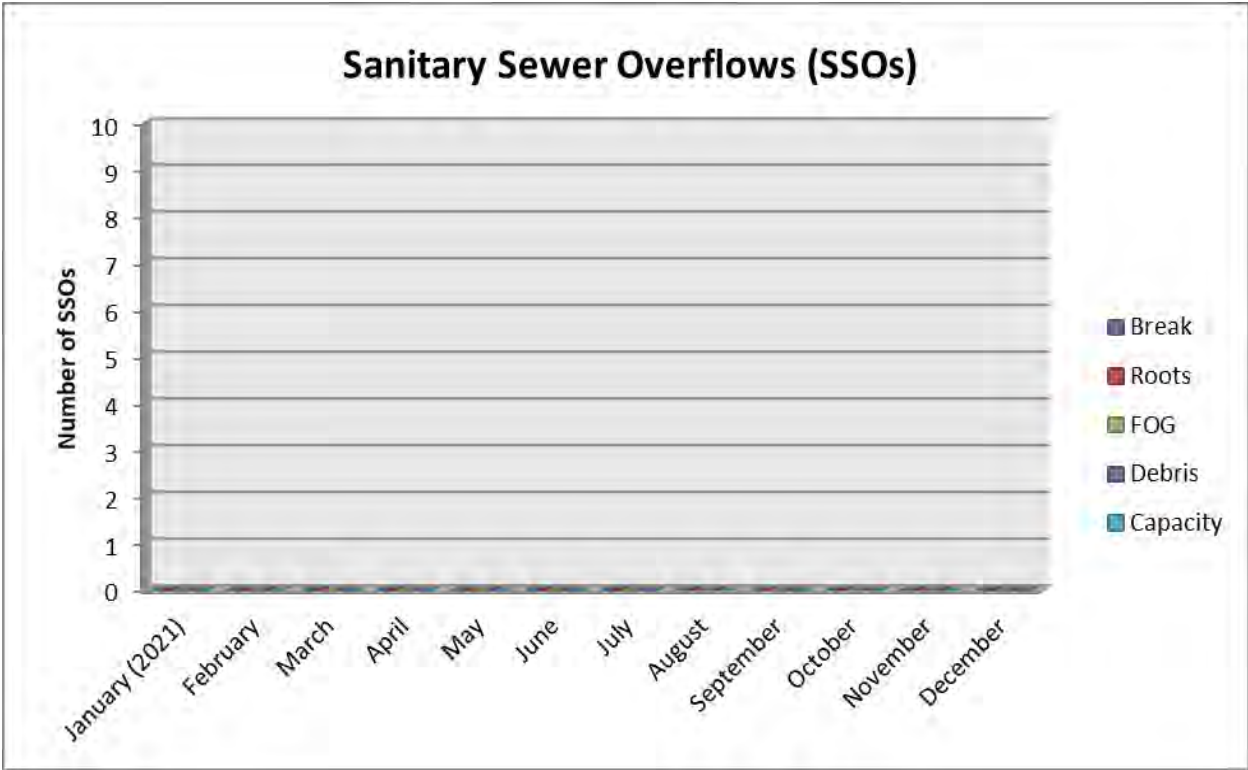
Water Valves Turned in the Distribution System
 The District has 8,874 valves / 44% of the valves have been turned in Calendar Year 2021
 (Goal is to turn 50% of valves every calendar year or about 370/Month)



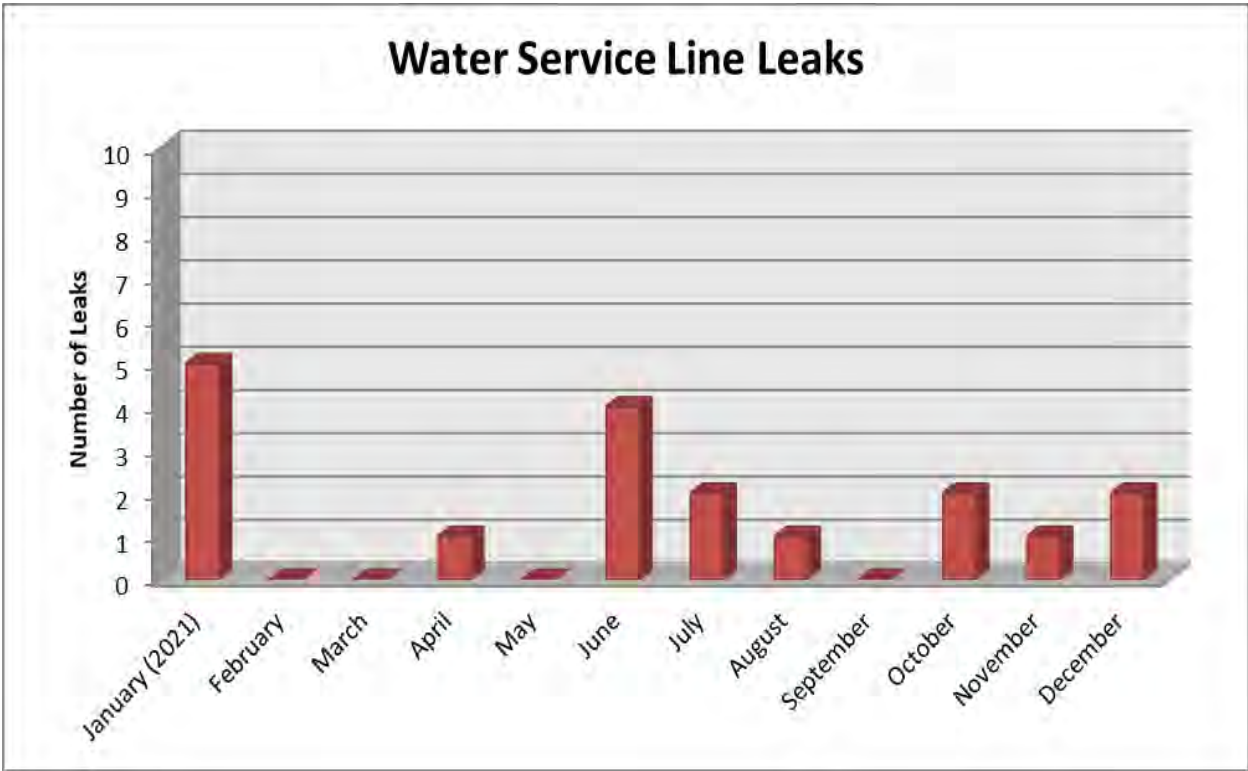
Water Valves Replaced in the Distribution System
 Total replaced so far for Fiscal Year 2021/22 = 16 / There are currently 35 broken valves that need replacing
 (Goal is to replace 20 valves every fiscal year or around 2 per month)



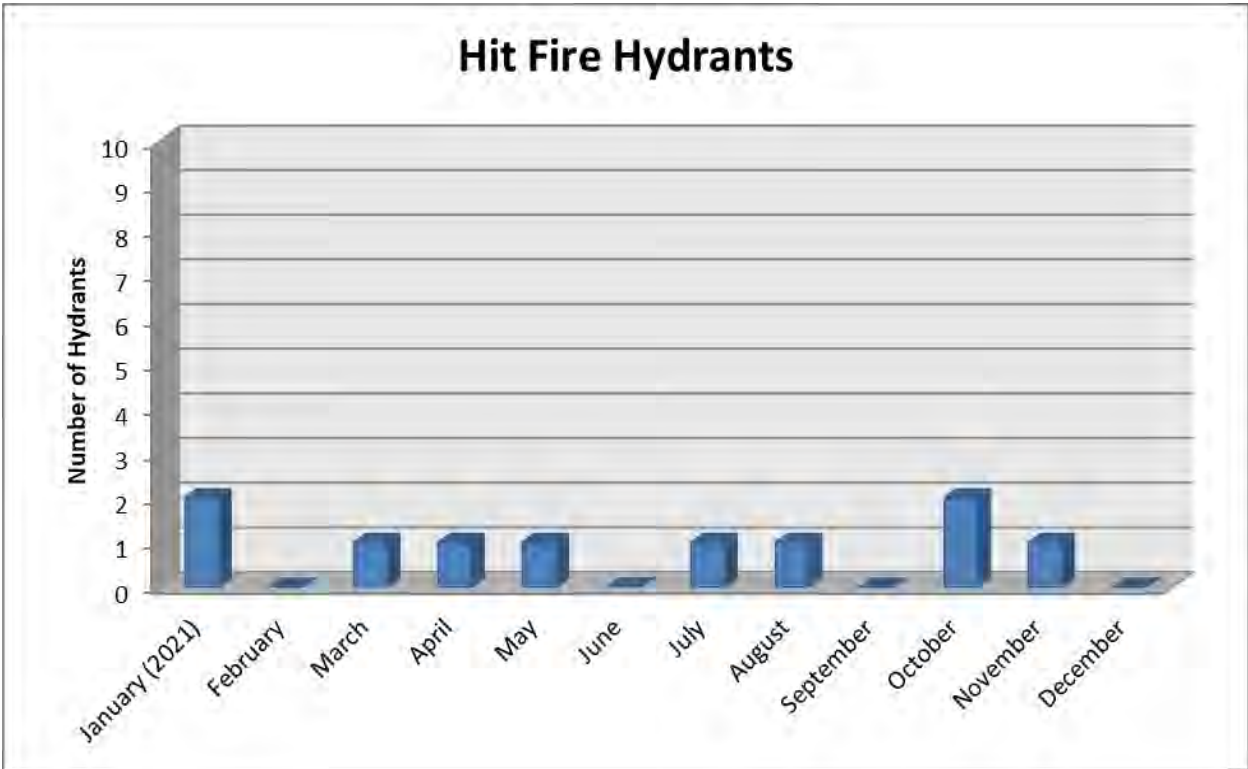
Water Mainline Breaks in the Distribution System
 (There have been 18 water main breaks in calendar year 2021 / There were 28 in 2020)



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)

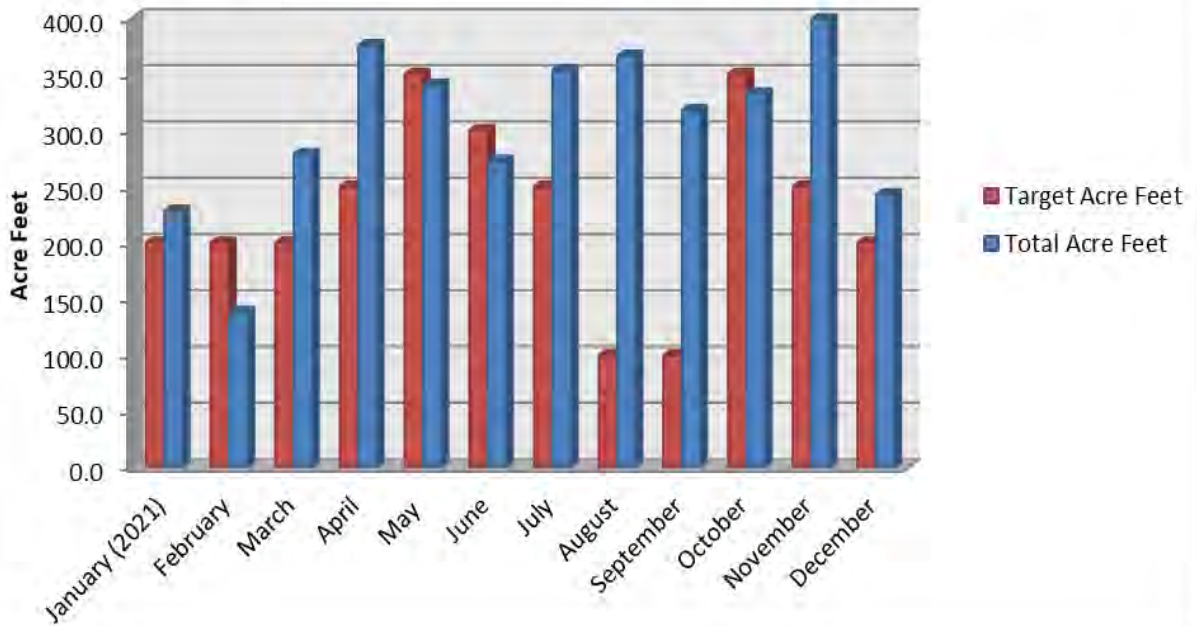


Water Service Line Leaks in the Distribution System
 (There have been 18 water service line leaks in calendar year 2021 / There were 25 in 2020)



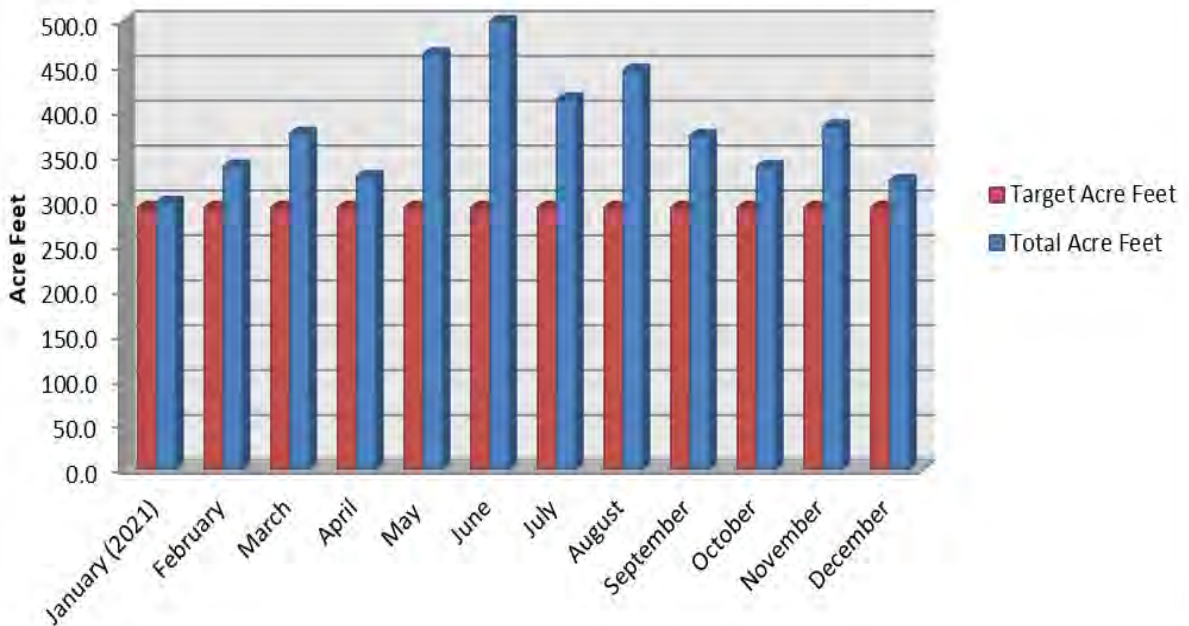
Fire Hydrants Hit in the Distribution System
 (There have been 10 fire hydrants hit in calendar year 2021 / There were 9 in 2020)

San Elijo Pump Station - OMWD Water Purchase

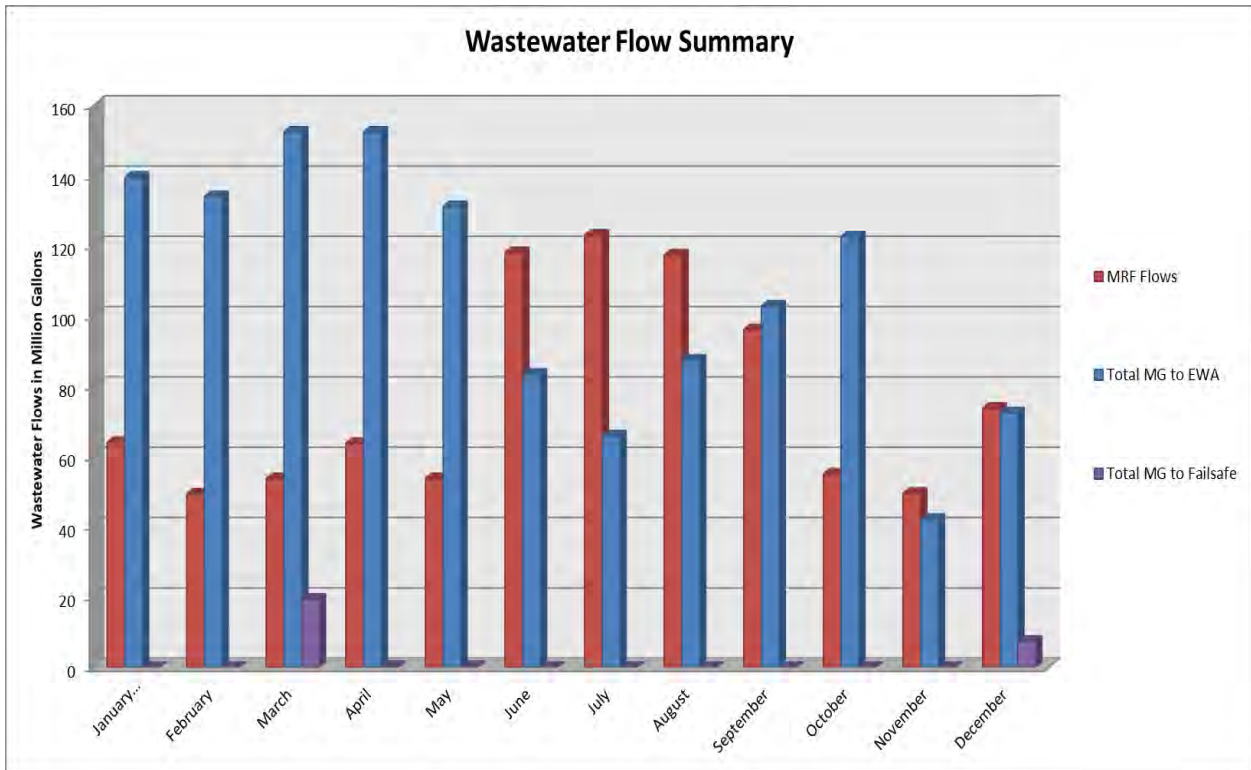


Acre Feet (AF) of Water Purchased from Olivenhain MWD – San Elijo Pump Station
 Our annual minimum take from OMWD is 2,750 AF / We have purchased 3,645 AF in CY 2021
 (The monthly Target Acre Feet varies throughout the year based on the agreement with OMWD)

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 4,566 AF in CY 2021
 (Our monthly Target Acre Feet is based on our purchase agreement with SDCWA)



Total raw wastewater flows to Meadowlark Reclamation Facility (MRF) and Encina Wastewater Authority (EWA). This graph also includes secondary or reclaimed water sent to the District's Failsafe line. All totals are in Million Gallons per Month.

DATE: FEBRUARY 2, 2022
TO: BOARD OF DIRECTORS
SUBJECT: AWARD OF CONSTRUCTION CONTRACT FOR THE REPAIR OF ASPHALT ROADS

BACKGROUND:

The Construction crew applies temporary asphalt patches to areas of work where service lines are replaced or main lines were repaired. A permanent repair of the asphalt is required. Due to the impacts of the COVID-19 pandemic, there have been construction delays and there are a large number of patches that currently require permanent repair. Asphalt List 21-04 contains 20 patches of various sizes from areas throughout the District.

DISCUSSION:

District staff requested bids from twelve local paving companies for the paving of the 20 patches. Only two of the paving companies submitted bids. The bid results are as follows:

Asphalt List 21-04

Bidder

PAL General Engineering, Inc.	\$125,259.00
Century Paving, Inc.	\$201,669.00

Staff completed the evaluation of qualifications and determined that PAL General Engineering, Inc. was the lowest, most responsive bidder for the asphalt repairs. Construction management will be performed by District staff.

FISCAL IMPACT:

Funds are included in the 2021/22 Materials & Services Budget for asphalt repairs. The budget and estimated cost summary are as follows:

2021/22 Budget	\$250,000.00
Previous Expenditures	\$ 74,011.82
<u>Asphalt List 21-04</u>	<u>\$125,259.00</u>
Total	\$125,259.00
 Remaining Budget	 \$ 50,729.18

Staff time and overhead is not charged as the streets are not owned by Vallecitos and cannot be considered a capital project.

RECOMMENDATION:

Authorize the General Manager to execute a contract with PAL General Engineering, Inc. for a total of \$125,259.00, subject to provisions of the contract.

DATE: FEBRUARY 2, 2022
TO: BOARD OF DIRECTORS
SUBJECT: AWARD OF CONSTRUCTION CONTRACT FOR THE VAULT NET FALL PROTECTION INSTALLATION PROJECT

BACKGROUND:

The District owns and operates equipment in several underground vaults which have access hatches and climbing systems that need to be upgraded to improve staff safety while performing maintenance and comply with the current California Occupational Safety and Health Administration (Cal OSHA) regulations. Safety nets will be installed on the access hatches listed below. This will allow staff to safely access the underground vaults while making system adjustments or performing maintenance operations.

Each hatch location listed below will receive a fall protection net to provide fall protection for workers when near the hatch and it is open:

South Vista Pressure Reducing Station
North Vista Pressure Reducing Station
Woodland Valley Pressure Reducing Station
Woodland Heights Pressure Reducing Station
Summit Circle Glen Pressure Reducing Station
Mulberry Flow Control Facility (2 Hatches)
La Cienega Pressure Reducing Station
Pacific Pressure Reducing Station (2 Hatches)
McMahr Pressure Reducing Station
Village R Pressure Reducing Station
Barham Pressure Reducing Station (2 Hatches)
Craven Pressure Reducing Station
Wild Canyon Pressure Reducing Station
Eclipse Pressure Reducing Station
La Costa Meadows Pressure Reducing Station (2 Hatches)
Rancho Santa Fe Pressure Reducing Station
Xana Pressure Reducing Station
La Costa Ridge Pressure Reducing Station
La Costa Oaks Pressure Reducing Station
North Star Pressure Reducing Station
Fallsview Pressure Reducing Station

DISCUSSION:

District staff went through a review process of Cal OSHA approved fall protection safety systems before upgrading the climbing systems on the steel drinking water tanks a couple of years ago. The safety systems manufactured and installed by Versatile Systems, Inc.

were chosen by staff to be the standard for all climbing and fall protection equipment for District facilities. Sole sourcing this system is done for safety reasons as well as simplifying operation and maintenance for staff.

- Staff only needs training on one SRL system.
- Only one type of harness is required for all applicable facilities.
- Only one type of safety net is required for all applicable facilities.
- Simplifies stocking, repair, and maintenance of SRL systems and safety nets.

Since this is a sole source project, only one bid was received on January 11, 2022.

Vault Net Fall Protection Installation Project

Sole Source Provider

Versatile Systems, Inc. \$118,045.09

Inspection and construction management will be performed by District staff.

FISCAL IMPACT:

Funds were included in the 2021/22 Materials & Services budget for the purchase and installation of the safety equipment. The budget and estimated cost summary are as follows:

2021/22 Budget	\$115,000.00
<u>Versatile Systems, Inc.</u>	<u>\$118,045.09</u>
Total	\$118,045.09
Projected Budget Shortfall	\$ 3,045.09

There are sufficient funds in the 2021/22 Materials & Services budget to make up the budget shortfall for this project. Staff time and overhead is not charged as the cost for each individual vault installation does not meet the requirements of a capital project.

RECOMMENDATION:

Authorize the General Manager to execute a contract with Versatile Systems, Inc. for a total of \$118,045.09, subject to provisions of the contract.

Safety Nets for Underground Vaults



Vault Net Fall Protection Project (North Section)

NORTH PRS

SOUTH PRS

W CAMINO CALAFIA

DEER SPRINGS RD

LA CIENEGA PRS

SUMMIT CIRCLE GLEN PRS

WOODLAND HEIGHTS PRS

WOODLAND VALLEY PRS

MULBERRY FCF

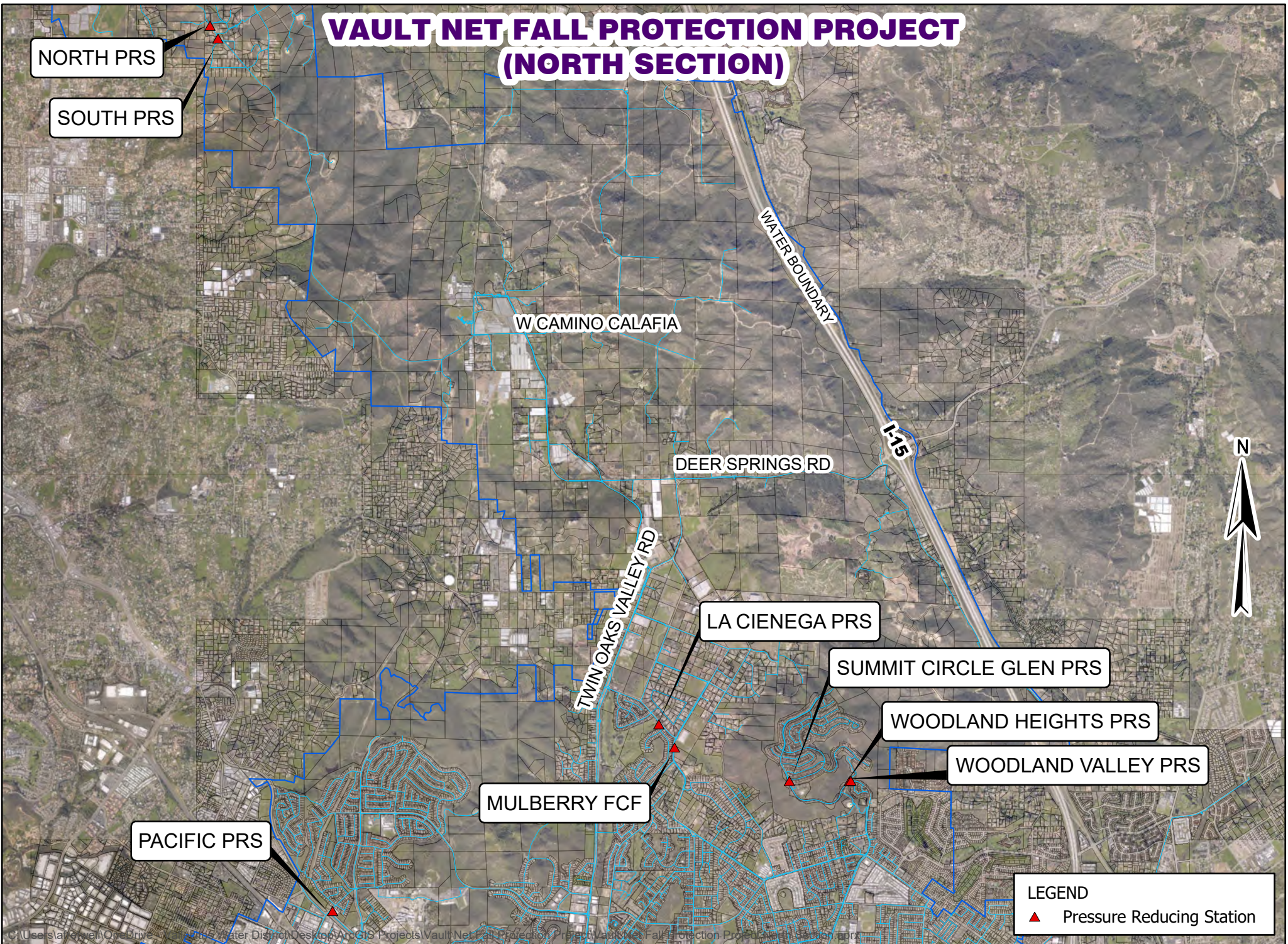
PACIFIC PRS

LEGEND

▲ Pressure Reducing Station

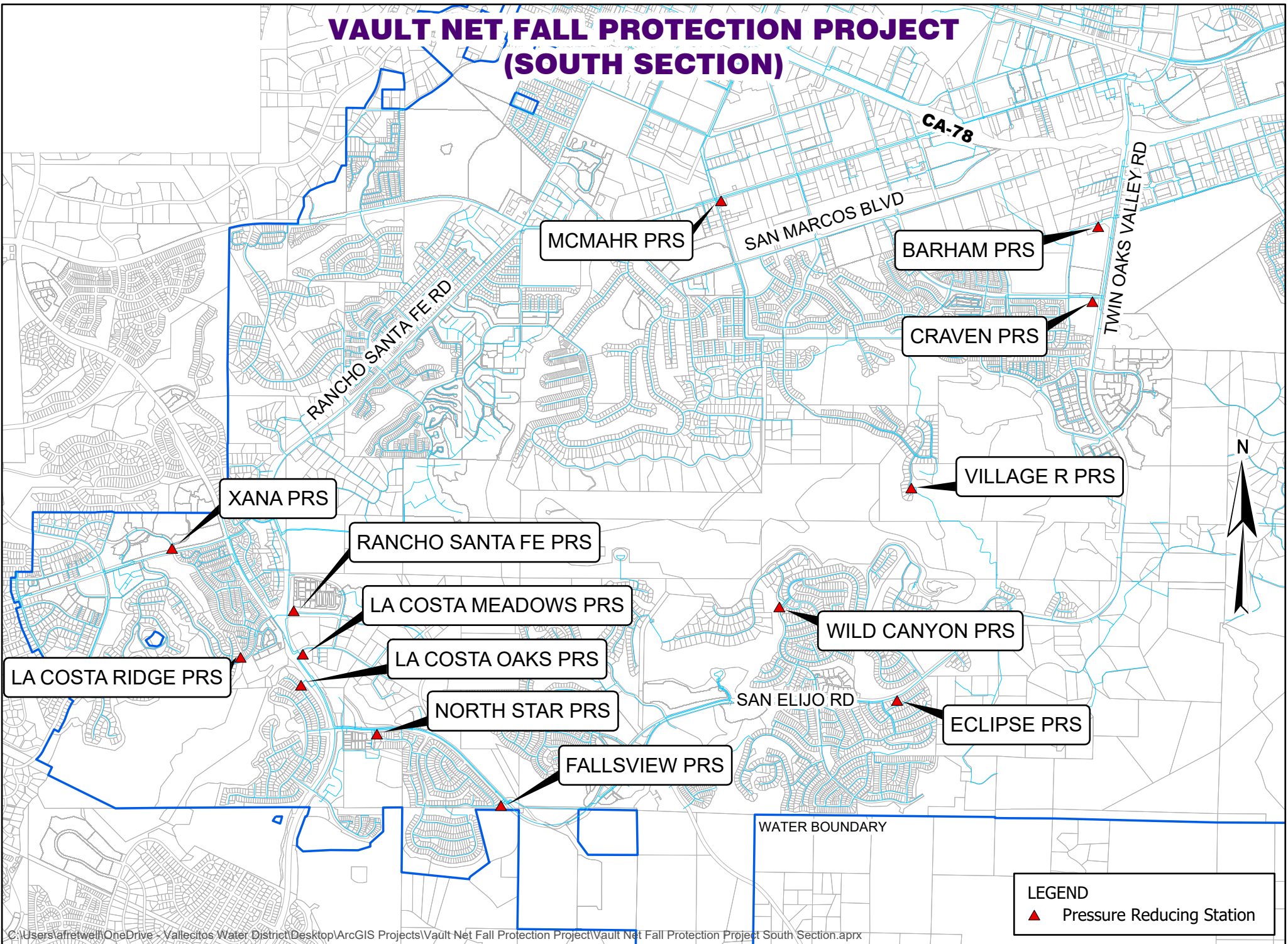


Vault Net Fall Protection Project (NORTH SECTION)



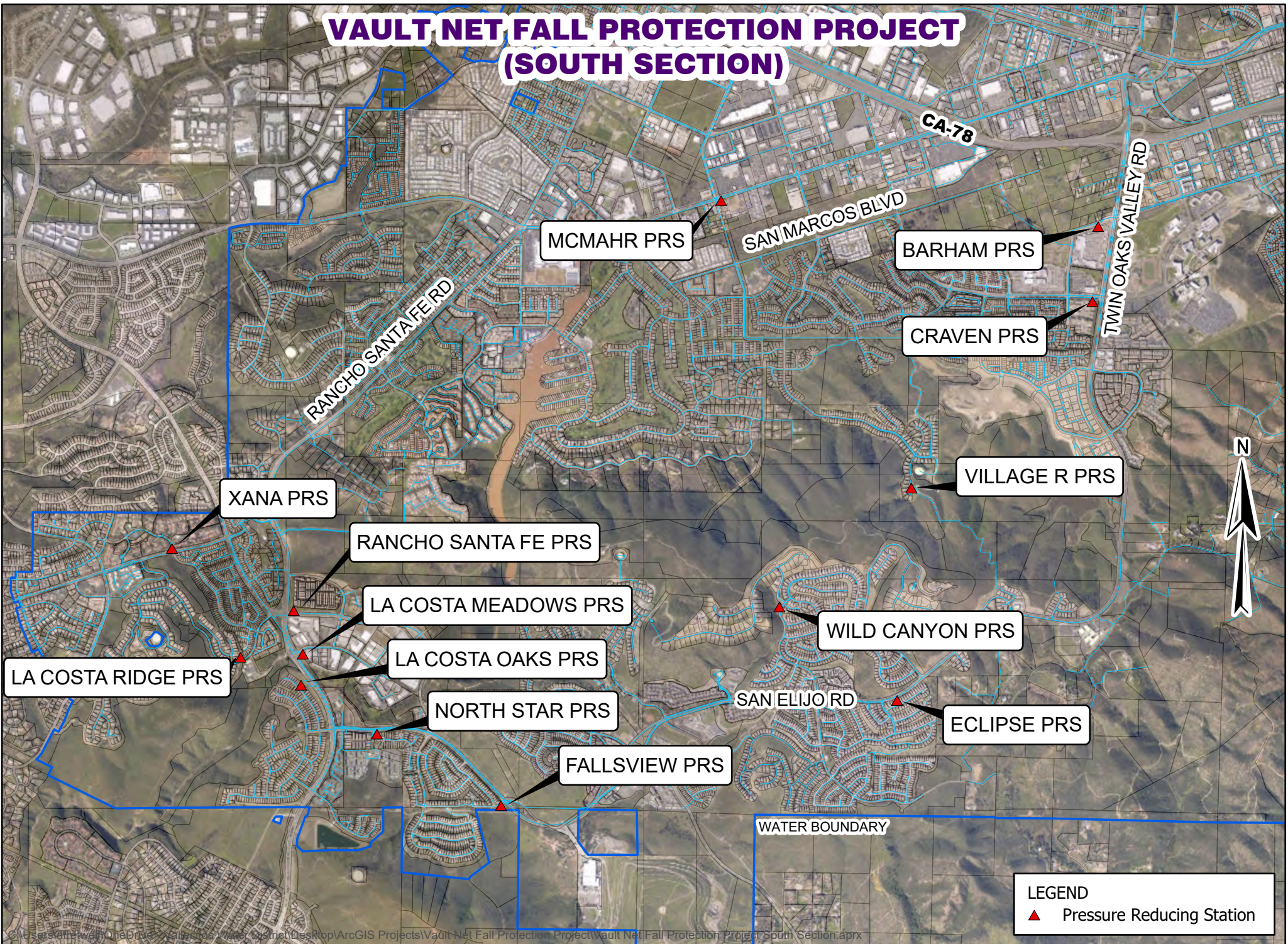
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Vault Net Fall Protection Project (SOUTH SECTION)



LEGEND
▲ Pressure Reducing Station

Vault Net Fall Protection Project (SOUTH SECTION)



DATE: FEBRUARY 2, 2022
TO: BOARD OF DIRECTORS
SUBJECT: APPROVAL OF CONSTRUCTION, TEMPORARY OFF-SITE SEWER SERVICE, AND REIMBURSEMENT AGREEMENTS FOR SUNRISE ORIX RESIDENTIAL DEVELOPMENT SEWER IMPROVEMENTS (CAL HEARTHSTONE LOT OPTION POOL 01, L.P.)

BACKGROUND:

CAL HEARTHSTONE LOT OPTION POOL 01, L.P., new owner of the project, has completed the plan check process with the District. The Sunrise Orix development consists of two parcels (APNs 228-312-09 and 228-312-10) located south of Barham Drive and west of Meyers Avenue, totaling 14.36 acres. Per Vallecitos District policy, Ordinance 200, prior to a connection to District sewer facilities, the property owner must complete the annexation process into both the water and wastewater service areas. The previous property owner requested annexation of APN 228-312-10 into the District's sewer service boundary (APN 228-312-09 was already in the District's sewer boundary), which was approved as VWD Board adoption of Resolution Number 1597 on July 21, 2021. This project is currently served water by Rincon Del Diablo Municipal Water District (RDDMWD).

The owner has requested approval of a Temporary Off-Site Sewer Service Agreement to provide sewer service to APN 228-312-10 (which does not have frontage to a District sewer main).

The owner will be installing a new sewer main extension in Barham Drive to serve the project. This Barham Drive sewer extension will be upsized from the 8-inch sewer required to serve the project, to a 10-inch sewer with reimbursement from the District for the increased pipe size. Reimbursement for the upsized sewer was discussed at the July 12, 2021, Engineering and Equipment Committee meeting.

DISCUSSION:

CAL HEARTHSTONE LOT OPTION POOL 01, L.P., current owner of the project, has completed the plan check process with the District. A Construction Agreement is typically entered into between a developer and the District to ensure that the required public facilities are constructed to support the demands of the development.

The project will construct approximately 860 feet of 10-inch diameter PVC sewer main in Barham Drive. Upon completion of the sewer facilities, sewer service will be available to 192 multi-family residential homes (143.6 EDUs).

A Temporary Off-Site Sewer Service Agreement (per District Ordinance Number 118) is typically entered into between an owner and the District to allow for a connection of a parcel (APN 228-312-10) that does not abut, traverse, or is not adjacent to an existing pipeline. The project proposes the use of a General Utility Easement (GUE) dedicated to the City of San Marcos on the Final Map, and an 8-inch PVC private sewer main through

adjacent APN 228-312-09 to connect to the proposed 10-inch PVC public sewer main in Barham Drive, approximately 1,575 feet away.

A Reimbursement Agreement is typically entered into between the owner and the District to provide additional or larger than required facilities for the proposed project. CAL HEARTHSTONE LOT OPTION POOL 01, L.P. will be upsizing the approximate 860 linear feet of 8-inch PVC sewer main along Barham Drive required to serve this project to a 10-inch PVC main, with reimbursement from the District for upsizing from 8-inch to 10-inch.

The City of San Marcos' General Plan update is changing zoning of adjacent parcels that are tributary to the Barham Drive sewer main from light industrial to high-density residential. Re-zoning of these parcels will increase sewer flows in the new Barham Drive sewer. Additionally, the unique circumstances of Barham Drive, such as the proximity of Catlrans' right-of-way, numerous utilities in a narrow street corridor, and rock, makes future upsizing of the Barham Drive sewer difficult, expensive, and potentially infeasible. Installing an 8-inch sewer in Barham Drive for this project would be near capacity; therefore, the District believes it would be prudent to upsize the sewer to serve both the development and future customers.

The District's Master Plan anticipated a smaller development for this project because the Master Plan did not include the 10.8-acre parcel (APN 228-312-10) that annexed into the District with this project and the 3.6-acre parcel (APN 228-312-09) was zoned for residential with a density of 4-8 dwelling units per acre. Based on the land use within the Master Plan, and current sewer capacity fees, the District anticipated to collect \$247,969 in fees (19 EDUs) for this property when it developed. The larger than planned development at 12-15 dwelling units per acre, including APN 228-312-10, will pay \$1,874,123.60 in sewer capital facility fees (143.6 EDUs) for this project with a District reimbursement to upsize the sewer to a 10-inch pipe. The District's maximum reimbursement for upsizing to a 10-inch sewer main shall not exceed \$244,069.74, which will be offset by capital facility fees. No funds will be required from existing rate payers for this reimbursement.

Wastewater capital facility fees are comprised of fees for treatment, conveyance, and land outfall. The District's maximum \$244,069.74 reimbursement for sewer upsizing shall be based on the Contractor's base bid and was determined by reimbursing the conveyance portion only of this project's wastewater capital facility fees (\$3,777/EDU), not to exceed 45% (the capacity difference between an 8-inch and 10-inch pipe) of the total conveyance fee.

All engineering fees, inspection deposits and wastewater capital facility fees have been paid prior to Board approval of the Agreements. The maximum \$244,069.74 District reimbursement shall be paid upon acceptance of the project.

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	\$473,367.00
Faithful Performance	\$473,367.00

FISCAL IMPACT:

Sewer Capital Facility Fees of \$1,874,123.60 (143.6 EDU x \$13,051.00 per EDU)

The District's maximum reimbursement of \$244,069.74 shall be based on the Contractor's base bid for upsizing 8-inch sewer to 10-inch, not to exceed 45% of the project's conveyance portion only of the wastewater capital facility fees (143.6 EDUs x \$3,777 per EDU x 45% = \$244,069.74)

Total sewer capacity fees after reimbursement: \$1,874,123.60 - \$244,069.74 = \$1,630,053.86

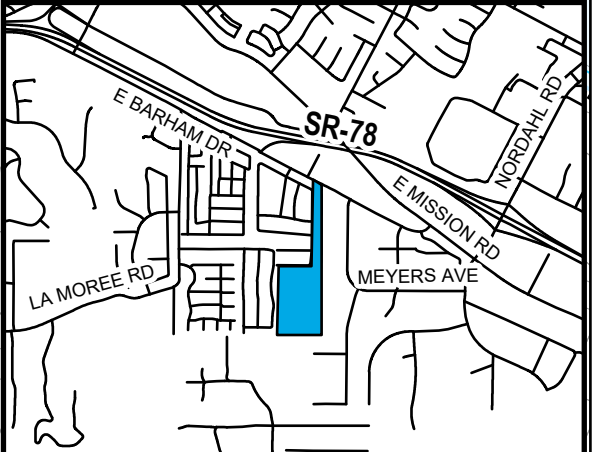
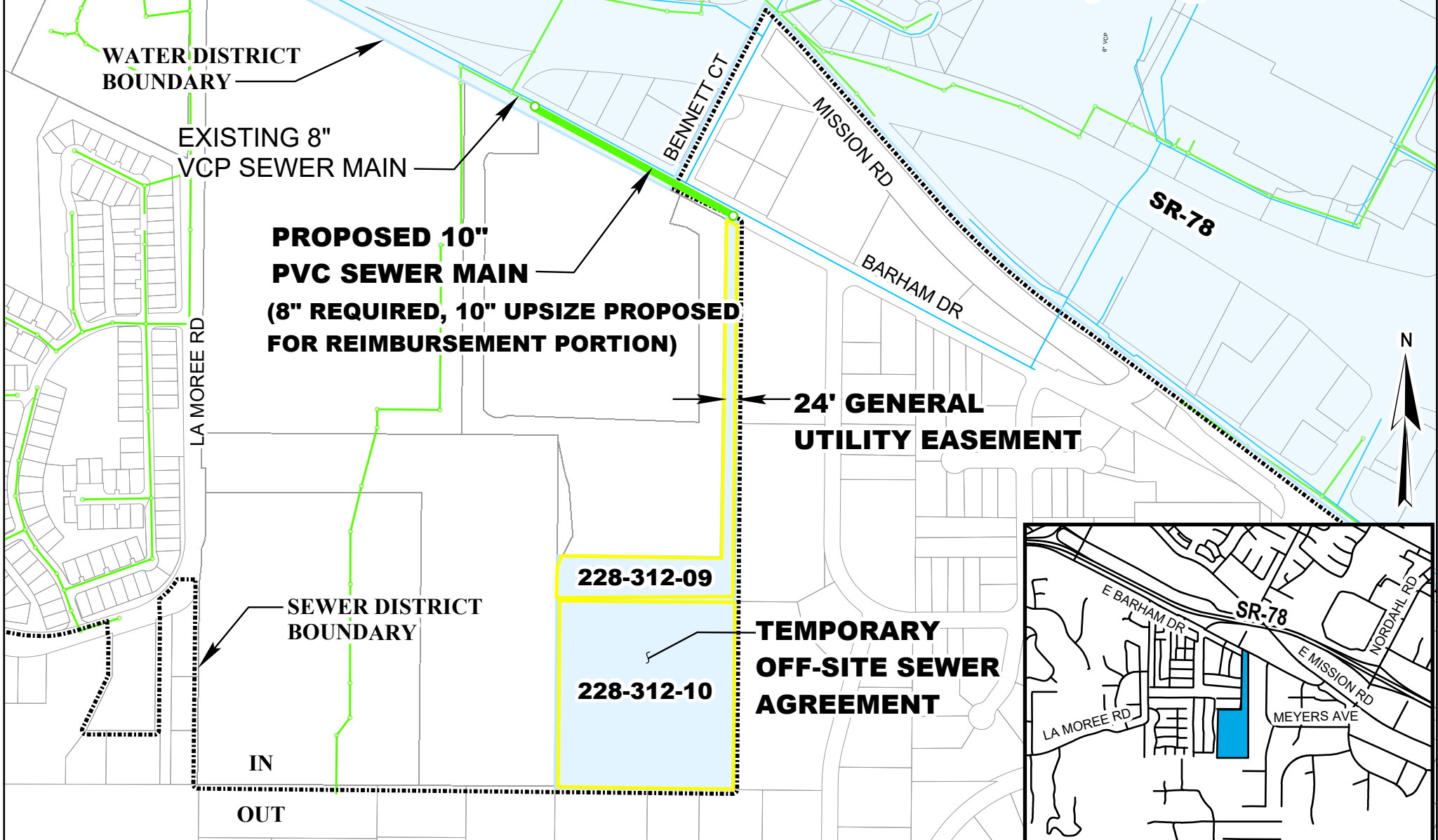
RECOMMENDATION:

Approve the Construction Agreement, Temporary Off-site Sewer Service Agreement, and Reimbursement Agreement for CAL HEARTHSTONE LOT OPTION POOL 01, L.P.

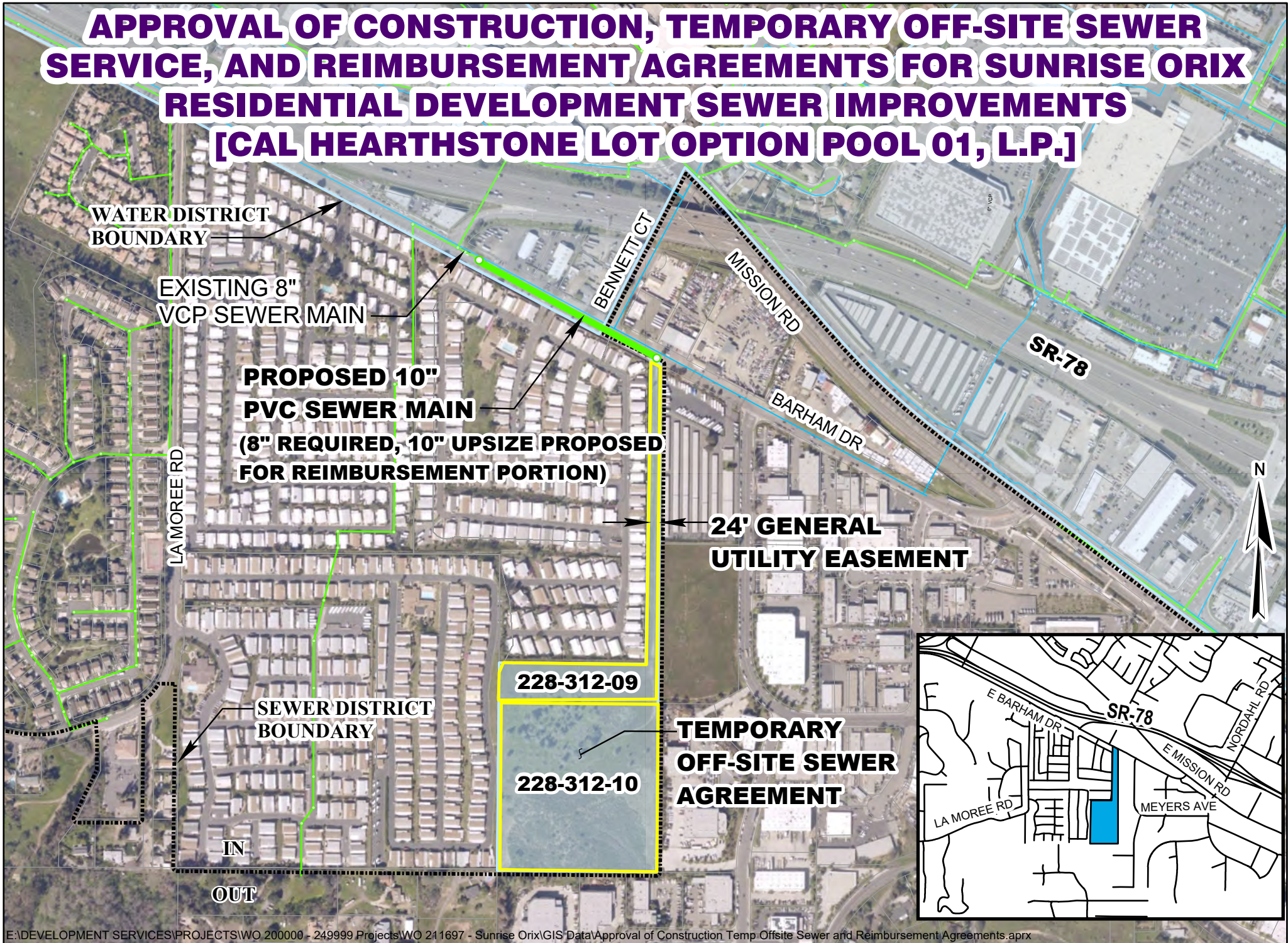
ATTACHMENTS:

2 Map Exhibits – 1 Plat Map & 1 Aerial
Construction, Temporary Off-Site, and Reimbursement Agreements

APPROVAL OF CONSTRUCTION, TEMPORARY OFF-SITE SEWER SERVICE, AND REIMBURSEMENT AGREEMENTS FOR SUNRISE ORIX RESIDENTIAL DEVELOPMENT SEWER IMPROVEMENTS [CAL HEARTHSTONE LOT OPTION POOL 01, L.P.]



APPROVAL OF CONSTRUCTION, TEMPORARY OFF-SITE SEWER SERVICE, AND REIMBURSEMENT AGREEMENTS FOR SUNRISE ORIX RESIDENTIAL DEVELOPMENT SEWER IMPROVEMENTS [CAL HEARTHSTONE LOT OPTION POOL 01, L.P.]



**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 CAL Hearthstone Lot Option Pool 01 ("DEVELOPER"), a limited partnership.

RECITALS

1. DEVELOPER desires to improve certain real property which lies within the boundaries of the DISTRICT consisting of approximately 14.36 acres commonly described as Tax Assessor's Parcel Nos. 228-312-09 & 228-312-10 ("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 LUNDSTROM ENGINEERING AND SURVEYING, INC and are identified as BARHAM DRIVE SEWER IMPROVEMENTS, VWD WO# 211697, and as shown in Exhibit "A" & "B". 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-erectments, 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 \$ 473,367.00 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 **\$ 25,000.00** to cover all DISTRICT fees and costs associated with the FACILITIES. When this deposit has been drawn down to **\$ 2,500.00**, DEVELOPER agrees to deposit such additional sums as the DISTRICT may determine from time to time to cover all fees and costs of the DISTRICT. Prior to final acceptance of the project, a final accounting will be forwarded to the developer for payment. Additional deposits for additional inspections after acceptance of the project may be requested.

30. MISCELLANEOUS PROVISIONS.

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

execute this Agreement on behalf of the entity represented by that individual.

30.9 OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT COUNSEL.


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

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

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

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

“DISTRICT” VALLECITOS WATER DISTRICT	
By: _____ Glenn Prum, Secretary Board of Directors Vallecitos Water District	Dated: _____

“DEVELOPER”	
Name: <u>STEVEN C. PORATH</u>	
Title: <u>Authorized Representative</u>	
Company: <u>CAL HEARTHSTONE LOT OPTION POOL 01, L.P.</u>	
Signature*: _____ 	Dated: <u>12-30-2021</u>

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

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California }
County of Los Angeles }

On December 30, 2021 before me, Karen S Hornback, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Steven C. Poratti
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Karen Hornback
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Corporate Officer – Title(s): _____
- Partner – Limited General
- Individual Attorney in Fact
- Trustee Guardian of Conservator
- Other: _____

Signer's Name: _____

- Corporate Officer – Title(s): _____
- Partner – Limited General
- Individual Attorney in Fact
- Trustee Guardian of Conservator
- Other: _____

Signer is Representing: _____

Signer is Representing: _____

Recording requested by &
when recorded, return to:

Vallecitos Water District
201 Vallecitos de Oro
San Marcos, CA 92069

APN: 228-312-10

(Space Above for Recorder's Use)
Documentary Transfer Tax: NONE

**VALLECITOS WATER DISTRICT
TEMPORARY SEWER CONNECTION AGREEMENT**

RECITALS

1. **CAL HEARTHSTONE LOT OPTION POOL 01, L.P.**, "OWNER" has title to real property situated in the County of San Diego, State of California, within the boundaries of District; the real property of OWNER is more particular described in Exhibit "A" & "B" attached hereto and made a part hereof.
2. The property of OWNER is not adjacent to any sewer main of the DISTRICT, and OWNER has applied for permission to connect with a DISTRICT main at location removed from their property for the purpose of providing a sewer supply for the property.
3. DISTRICT is willing to permit a TEMPORARY connection at the nearest main, subject to the terms and conditions of the Agreement.

COVENANTS

IT IS, THEREFORE, AGREED by and between OWNER, on behalf of themselves and their heirs, successors and assigns in interest in the above-described property, and DISTRICT, as follows:

4. OWNER will pay the regular charge for the installation of a lateral and service connection on the District's nearest main, and acquire any easement or encroachment permit which might be necessary to run a service lateral from the sewer main to the place of use on OWNER's property.
5. The cost of acquiring any such easement or encroachment permit, the installation and subsequent maintenance of the sewer service lateral extending from the main shall be entirely at

the OWNER's expense, and the DISTRICT shall have no liability or responsibility, therefore.

6. The connection provided under the terms of this agreement shall be available to serve sewer to the property of OWNER, as described, only so long as such connection shall serve only one parcel.

7. The service and use of the connection may be terminated by the DISTRICT upon thirty (30) days written notice addressed to OWNER at their last known address on file in the District in the event the service is extended to any subdivision of the property into two or more separate parcels to be served from such connection, or in the event of the construction of two or more residences thereon.

8. Should DISTRICT or others hereafter install or provide a DISTRICT sewer main adjacent to OWNER's property which would extend to OWNER's property so as to serve substantial portions thereof, the temporary connection permitted by the agreement shall, upon demand by the DISTRICT, be terminated, and after such termination, any future sewer service shall be provided by a connection to the new DISTRICT main upon the payment to the DISTRICT by OWNER of any connection fee then established by DISTRICT. The amount of such fee shall include the expense incurred by the DISTRICT in moving the lateral to the new main, together with such other reasonable charges as DISTRICT may establish, including a prorata share of the cost of the installation of such new main.

9. OWNER being the owner or owners of the property described in Exhibit "A", in consideration of the Agreement for temporary sewer service consent on behalf of OWNER, their heirs, successors and assigns to participate in any future SPECIAL ASSESSMENT IMPROVEMENT DISTRICT which Vallecitos Water District may establish under the IMPROVEMENT DISTRICT ACT OF 1911, Division 7 (Section 5000 et seq.) of the Streets and Highway Code of the State of California, or under MUNICIPAL IMPROVEMENT ACT OF 1913, Division 12 (Section 10,000 et seq) of the Streets and Highways Code of the State of California, or under the IMPROVEMENT BOND ACT OF 1915, Division 10 (Section 8500 et seq) of the Streets and Highways Code of the State of California, or any combination of said Acts; OWNER further consents that Vallecitos Water District may, under the provision of said Acts or a combination of said Acts, conduct all proceedings for the formation of a SPECIAL IMPROVEMENT DISTRICT for the construction of improvements designed to provide sewer service to the area in which OWNER's land is located; OWNERS for themselves, their heirs, successors and assigns hereby waive and request the DISTRICT to dispense with any and all proceedings any and all limitations under the SPECIAL ASSESSMENT INVESTIGATION, LIMITATION AND MAJORITY PROTEST

ACT OF 1931, Division 4, (Section 2800 et seq) of the Streets and Highways Code of the State of California. This consent is filed with DISTRICT as part of this Agreement for temporary sewer service pursuant to the provisions of Section 2804 of the Streets and Highways Code of the State of California, as amended, a part of the SPECIAL ASSESSMENT INVESTIGATION LIMITATION AND MAJORITY PROTEST ACT OF 1931.

10. OWNER understands that in entering into this Agreement for temporary sewer service, DISTRICT does so in material reliance on the provisions of the Agreement, including, but not limited to, the consent to participate in assessment district proceedings and waiver of all proceedings and all limitations under the SPECIAL ASSESSMENT INVESTIGATION, LIMITATION AND MAJORITY PROTEST ACT OF 1931.

11. Any breach or violation of the terms and conditions established by this Agreement or of DISTRICT's rules and regulations shall, at the option of the DISTRICT, permit DISTRICT to terminate this Agreement and the temporary connection, if such breach or violation is not cured within thirty days after written notice given OWNER or their successors in interest, by DISTRICT. In the event of such termination, DISTRICT may disconnect the line without any further liability or obligation to OWNER or their successors in interest.

12. Parties agree that this Agreement shall be binding upon OWNER, their heirs, assigns and successors in interest to the property described in Exhibit A attached hereto and made a part hereof.


13. In the event of litigation to enforce this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs of litigation.

14. This Agreement is executed in the North County Judicial District, County of San Diego, State of California.

15. The effective date of this Agreement is _____.

IN WITNESS WHEREOF, this Agreement is executed by the duly authorized officers of the DISTRICT and OWNER.

DISTRICT VALLECITOS WATER DISTRICT	
Accepted By: _____ Glenn Pruum, Secretary Board of Directors Vallecitos Water District	Date: _____, 202__

OWNER*	
By: <u>STEVEN C. PORATH</u>	Date: <u>12.27.</u> , 202 <u>1</u>
Title: <u>AUTHORIZED REPRESENTATIVE</u>	
Company: <u>CAL HEARTHSTONE LOT OPTION POOL 01, L.P.</u>	
By: _____ 	Date: _____, 202__
Title: _____	

* If the land is held by husband and wife, both parties must sign the Agreement and the signatures may be notarized; if the OWNER is a corporation, partnership or other legal entity, the appropriate notarization showing the identity of the OWNER and the authority to execute this Agreement must be attached.

RECORDING REQUESTED BY, AND WHEN RECORDED, RETURN TO:
VALLECITOS WATER DISTRICT, 201 VALLECITOS DE ORO, SAN MARCOS, CA 92069

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

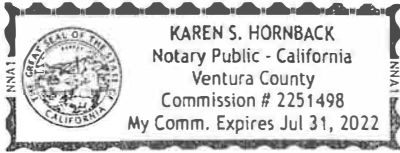
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles }

On December 27 2021 before me, Karen S Hornback, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Steven E. Porritt
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Karen S Hornback
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian of Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian of Conservator

Other: _____

Signer is Representing: _____

EXHIBIT A

**LEGAL DESCRIPTION
VALLECITOS WATER DISTRICT TEMPORARY SEWER CONNECTION
AGREEMENT**

ALL THAT PORTION OF LOT 1 OF CITY OF SAN MARCOS TSM 18-0001, IN THE CITY OF SAN MARCOS, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 16491, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY ON DECEMBER 21, 2021, BEING MORE SPECIFICALLY DESCRIBED AS FOLLOWS:

POINT OF BEGINNING COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 1;

THENCE ALONG THE SOUTHERLY BOUNDARY OF LOT 1, NORTH 89°28'25" WEST, A DISTANCE OF 659.90 FEET; THENCE ALONG THE WESTERLY BOUNDARY OF LOT 1, NORTH 00°29'52" EAST, A DISTANCE OF 713.03 FEET; THENCE SOUTH 89°28'25" EAST, A DISTANCE OF 659.73 FEET; THENCE ALONG THE EASTERLY BOUNDARY OF SAID LOT 1, SOUTH 00°29'03" WEST, A DISTANCE OF 713.03 FEET.

(APN 228-312-10)

EXHIBIT 'A'



G.U.E. PMR FINAL MAP 16491
CONTAINING: 0.666 ACRES



BENEFITTING PARCEL (APN 228-312-10)
CONTAINING: 10.800 ACRES

LOT 5
PORTION OF SEC 18, T12S, R2W, SBM

ROS 13287

LOT 7

APN:228-312-09

APN:228-312-10

PM 2106
PARCEL 1

PM 9838
PARCEL 3

MEYERS AVENUE

BARHAM DRIVE

N62°21'03"W
4.96'

N00°29'03"E 1236.21'

1380.49'

N00°29'03"E 2093.52'

N89°28'25"W 619.69'

N00°29'52"E
877.81'

164.77'

470.07'

N89°28'25"W 659.73'

173.66'

N71°3'03"

713.03'

N71°3'03"

SEE SHEET 2

MAP 11891
REMAINDER



SCALE: 1"=200'

Lundstrom
Engineering and Surveying, Inc.

5333 Mission Center Road, #115 • San Diego, CA 92108
Phone (619) 814-1220 • Fax (619) 641-5910

DARRELL BEGLEY
L.S. NO. 8172

12-31-21
DATE



SHEET 1 OF 2

EXHIBIT 'A'

ROS 13287
 LOT 5
 LOT 7
 PORTION OF SEC 18, T12S, R2W, SBM

SEE SHEET 1

1380.49'

PM 9838
 PARCEL 3

MEYERS AVENUE

N89°28'25"W 619.69'

LOT 1 PER MAP NO. 16491

APN:228-312-09

164.77'

470.07'

173.66'

N89°28'25"W 659.73'

2093.52'

N00°29'52"E 877.81'

713.03'

APN:228-312-10

713.03'

N00°29'03"E



MAP 11801
 REMAINDER

N89°28'25"W 659.90'

PQB



SCALE: 1"=200'

-  G.U.E. PER FINAL MAP 16491
CONTAINING: 0.666 ACRES
-  BENEFITTING PARCEL (APN 228-312-10)
CONTAINING: 10.800 ACRES



5333 Mission Center Road, #115 • San Diego, CA 92108
 Phone (619) 814-1220 • Fax (619) 641-5910

SHEET 2 OF 2

VALLECITOS WATER DISTRICT
REIMBURSEMENT AGREEMENT FOR CONSTRUCTION OF OVERSIZED FACILITIES

PROJECT: Sunrise Orix, WO# 211697

APN(S): 228-312-09 & 228-312-10

DEVELOPER: CAL HEARTHSTONE LOT OPTION POOL 01, L.P
16465 VIA ESPRILLO, SUITE 150, SAN DIEGO, CA 92127
C/O LENNAR HOMES – ALEXANDER PLISHNER

This **REIMBURSEMENT AGREEMENT FOR CONSTRUCTION OF OVERSIZED FACILITIES** (“Agreement”) is entered into this _____ day of _____, 20____ by and between the Vallecitos Water District (“**District**”), a California county water district, and **CAL HEARTHSTONE LOT OPTION POOL 01**. (“**Developer**”), a **Limited Partnership**. The District and Developer are sometimes individually referred to as “Party” and collectively as “Parties.”

RECITALS

A. Developer owns that certain portion of real property more particularly described as follows: **228-312-09 & 228-312-10** within the boundaries of the District (“Property”). A legal description of the Property is attached as Exhibit “A” attached hereto and incorporated herein by reference. The Property consists of **14.42** gross acres.

B. Developer proposes to construct approximately **192** residential units on the Property (the “**Project**”).

C. As a condition of approval of development of the Property, Developer has constructed or will construct sewer facilities to be dedicated to the District (“**Facilities**”) pursuant to the construction agreement dated _____ between District and Developer (“**Construction Agreement**”). The Facilities are shown on the plans and specifications on file with the District and identified as **BARHAM DRIVE SEWER IMPROVEMENTS, VWD WO# 211697**, and as shown in Exhibit “A” & “B”.

D. Developer is requesting that the District provide sewer service to the Project. In order to provide sewer service to the Project and to provide additional capacity in the District’s sewer system to serve adjacent and/or additional real property that is not part of the Property, Developer is willing to upsize approximately **860** linear feet of sewer

pipeline in **Barnham Drive** from **8-inch** diameter (the amount required to serve the Project) to **10-inches** (the "**Oversized Facilities**"). Developer has agreed to design, construct and install the Oversized Facilities pursuant to the terms and conditions of the Construction Agreement and this Agreement.

E. The Parties recognize that it is in their best interests to coordinate the design, construction and installation of the Facilities (which term shall include the Oversized Facilities), so as to efficiently implement District's overall capital improvement master plan and to avoid duplication of facilities or work. The provisions of this Agreement shall be in addition to all other requirements, fees and charges that Developer is required to fulfill in order to initiate the provision of sewer service to the Property, as well as the provisions of the Construction Agreement.

F. Pursuant to this Agreement, District is willing to reimburse Developer for construction of the Oversized Facilities (a **10-inch** diameter pipe) as further described herein. Developer is willing to advance the costs of designing, constructing and installing the Oversized Facilities, and is willing to accept, as total reimbursement for the Oversized Facilities, forty five percent (**45%**) of the total cost to construct, based on the direct bid award amount, the Oversized Facilities ("**Total Reimbursement Amount**"); provided, however, that the Total Reimbursement Amount shall in no case exceed **\$244,069.74**. The Parties understand, acknowledge and agree that once the Total Reimbursement Amount is paid to Developer, the District shall have no further financial obligation to Developer for the Oversized Facilities.

AGREEMENT

1. **Design and Construction.** Pursuant to the Construction Agreement, and subject to the terms and conditions of this Agreement, Developer shall be solely responsible for the design and construction of the Facilities, including all costs and expenses therefor. Prior to initiation of construction and installation, Developer shall submit to District plans and specifications for approval by District. Developer shall be solely responsible for obtaining all required federal, state and local permits and approvals. The plans and specifications for the Facilities shall be approved by District pursuant to the Construction Agreement. Developer shall coordinate with District staff to arrange the required inspection of the Facilities pursuant to the Construction Agreement.

2. **Award of Contracts.** Developer shall be solely responsible for securing appropriate bids and awarding contracts for construction and installation of the Facilities in

compliance with applicable federal, state, and local laws, rules and regulations. Developer shall exercise due diligence in contracting for construction and installation of the Facilities in accordance with the Construction Agreement. Developer shall defend, indemnify and hold District free and harmless from any and all alleged and actual claims, actions or liability whatsoever (collectively, "Damages"), including attorneys' fees and other related costs and expenses arising out of or in connection with the bidding and awarding of the contracts for the Facilities, except for such Damages attributable to the District's sole active negligence.

3. Billings; Records. Developer shall maintain complete and accurate records with respect to all costs and expenses pursuant to this Agreement. All such records shall be clearly identifiable. Developer shall allow a representative of District during normal business hours to examine, audit and make transcripts or copies of such records and any other documents, proceedings, and activities related to the Agreement for a period of three (3) years from the termination of this Agreement.

4. Terms of Reimbursement. Developer shall be reimbursed the Total Reimbursement Amount (as defined above) for the Oversized Facilities, subject to the maximum amount described above. Developer shall be entitled to no further compensation, payment or reimbursement of any kind from the District for the Oversized Facilities. District shall reimburse to Developer up to the Total Reimbursement Amount (without interest), from the District's applicable capital improvement funds or other funds in the District's discretion. As a condition precedent to payment of the Total Reimbursement Amount, Developer shall pay all capital facility fees due to the District pursuant to applicable District ordinances, polices, resolutions or other enactments, as may be revised from time to time. District shall have no obligation to reimburse Developer under this Agreement until all applicable capital facility fees for the Project have been paid.

5. Reimbursement Procedures. Following District's acceptance of the Facilities including the Oversized Facilities (which shall be governed by the terms and conditions of the Construction Agreement), Developer shall deliver to District a complete reimbursement package consisting of all invoices and memoranda describing the work completed and/or materials supplied related to the Oversized Facilities and proof of payment by Developer of each invoice related to the Oversized Facilities. The reimbursement package shall also include payroll records certified as accurate by Developer's contractor. Subject to satisfaction of the conditions of this Agreement, District agrees to reimburse developer within sixty (60) days of District's receipt of the complete reimbursement package. District shall

verify completion of work or supply of materials and payment by Developer and pay to Developer the Total Reimbursement Amount as determined pursuant to this Agreement.

6. Additions to Oversized Facilities. If District requires additions to the Oversized Facilities which have not been contemplated by the Parties under this Agreement (“Additions to the Oversized Facilities”), and if such Additions to the Oversized Facilities increase the cost of the Oversized Facilities, the Total Reimbursement Amount shall be increased by the amount of the agreed upon increased cost. The District and Developer shall mutually agree in writing upon the increased cost and method to complete such Additions to the Oversized Facilities. Developer shall not cause the construction of the Additions to the Oversized Facilities unless and until the District approves the design and cost for such work.

7. Applicability of Construction Agreement to Oversized Facilities. The Facilities, including the Oversized Facilities, shall be subject to all applicable terms, conditions, warranties, insurance provisions, indemnities, and other requirements in the Construction Agreement for the “Facilities” and the “Project,” as those terms are defined in the Construction Agreement.

8. Indemnification. Without limiting the generality of Section 7 above, Developer shall, to the fullest extent permitted by law, defend, indemnify and hold the District, the District’s representatives and each of the District’s officers, employees and agents free and harmless from any and all claims, liabilities, losses, costs, expenses, damages, or injuries to property or persons, including wrongful death, (collectively, “Claims”) in any manner arising out of or incident to any acts, omissions or willful misconduct of Developer, its officials, officers, employees, agents, consultants and contractors arising from or relating to this Agreement, except where the Claim has been caused by the sole and active negligence of the District. 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. This section shall survive the expiration or termination of this Agreement.

9. Term. This Agreement shall expire upon the full not to exceed payment of the Total Reimbursement Amount, unless earlier terminated by mutual written agreement of the Parties.

10. Prevailing Wages. Developer is aware of the requirements of California Labor Code Section 1770 et seq., which require the payment of prevailing wage rates and the

performance of other requirements if it is determined that the Developer's contract(s) with its contractor(s) to construct the Facilities are "public works contracts" under the applicable provisions of the Labor Code. Developer agrees to hold District and its officials, officers, employees and agents free and harmless from any claim or liability including, without limitation, attorneys' fees and court costs, arising from any failure or alleged failure to comply with these provisions of the Labor Code.

11. Miscellaneous Provisions.

a. Applicable Law. This Agreement and any disputes relating to this Agreement shall be construed under the laws of the State of California.

b. 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, and State of California.

c. Attorney's Fees. In the event 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.

d. Assignment. Developer shall not be entitled to assign all or any portion of its respective rights or obligations as specified in the Agreement without obtaining the prior written consent of the District. Any purported assignment without the District's prior written consent shall be void.

e. Entire Agreement. This Agreement, together with all Exhibits attached hereto, contains all representations and the entire understanding between the Parties. No other representations are intended or shall be implied. Any prior correspondence, memoranda or agreements, whether or not such correspondence, memoranda or agreements are in conflict with this Agreement, are intended to be replaced in total by this Agreement and any Exhibits to this Agreement.

f. Time of Essence. Time is of the essence for each and every provision of this Agreement.

g. Incorporation of Recitals. The Recitals are incorporated herein and made an operative part of this Agreement.

h. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors, heirs and assigns. Notwithstanding the preceding sentence, and for the clarity of the Parties, this Agreement

shall not automatically transfer to a bona fide purchaser of a property within the benefit area; a Developer may only assign or transfer his/her/their rights in this Agreement in full compliance with Section 11(d), including prior written consent of the District.

i. 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 provisions of the Agreement as so interpreted are held to violate any applicable law or regulation, the remaining provisions shall nevertheless be carried into full force and effect and remain enforceable.

j. Notices. All 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:

DISTRICT:

VALLECITOS WATER DISTRICT
201 VALLECITOS DE ORO
SAN MARCOS, CA 92069
ATTN: DISTRICT ENGINEER

DEVELOPER:

CAL HEARTHSTONE LOT OPTION POOL 01, L.P
16465 VIA ESPRILLO, SUITE 150
SAN DIEGO, CA 92127
C/O LENNAR HOMES – ALEXANDER PLISHNER

k. Amendment. 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.

l. Authority to Execute Agreement. Each of the Parties to this Agreement represents and warrants that they have the authority to execute this Agreement on behalf of the entity represented by that individual.

m. 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.

n. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

o. Effective Date. This Agreement shall be dated as of the date signed by the last Party executing this Agreement.


SIGNATURES ON FOLLOWING PAGE(S)

OVERSIZED FACILITIES CONSTRUCTION REIMBURSEMENT AGREEMENT

PROJECT: 2019100574, WO# 211697

SIGNATURE PAGE

VALLECITOS WATER DISTRICT	
By: _____ Glenn Prum, Secretary Board of Directors Vallecitos Water District	Dated: _____

OWNER/DEVELOPER	
Name: <u>STEVEN C. PORATH</u>	
Title: <u>AUTHORIZED REPRESENTATIVE</u>	
Company: <u>CAL HEARTHSTONE LOT OPTION POOL 01, L.P.</u>	
Signature*: _____ 	Dated: <u>12.27.2021</u>

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

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

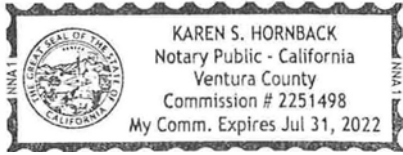
CIVIL CODE § 1189

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

State of California }
County of Los Angeles }

On December 27 2021 before me, Karen S. Hornback, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Steven C. Porat
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Karen S. Hornback
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian of Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian of Conservator

Other: _____

Signer is Representing: _____

EXHIBIT A

PROPERTY DESCRIPTION (LEGAL)

EXHIBIT A

**LEGAL DESCRIPTION
VALLECITIOS WATER DISTRICT REIMBURSEMENT AGREEMENT**

LOT 1 OF CITY OF SAN MARCOS TSM 18-0001, IN THE CITY OF SAN MARCOS, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 16491, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY ON DECEMBER 21, 2021.

(APN: 228-312-09 & 10)

EXHIBIT B

PROPERTY DESCRIPTION (PLAT)

EXHIBIT 'B'

—S— REIMBURSEMENT AGREEMENT FOR
○ 926 LINEAR FEET OF 10" P.V.C.
SEWER MAIN AND 5 SEWER MANHOLES.

ON-RAMP

BENNET COURT

BARHAM DRIVE

SEE SHEET 2

ROS 13287

SCALE: 1"=200'

PORTION OF SEC 18, T12S, R2W, SBM

LOT 5

LOT 7

LOT 1 PER MAP NO. 16491
APN:228-312-09

APN:228-312-10

PM 2106
PARCEL 1

MEYERS AVENUE

PM 9838
PARCEL 3



Lundstrom
Engineering and Surveying, Inc.

5333 Mission Center Road, #115 • San Diego, CA 92108
Phone (619) 814-1220 • Fax (619) 641-5910

Darrell Begley
DARRELL BEGLEY
L.S. NO. 8172

12-31-21
DATE

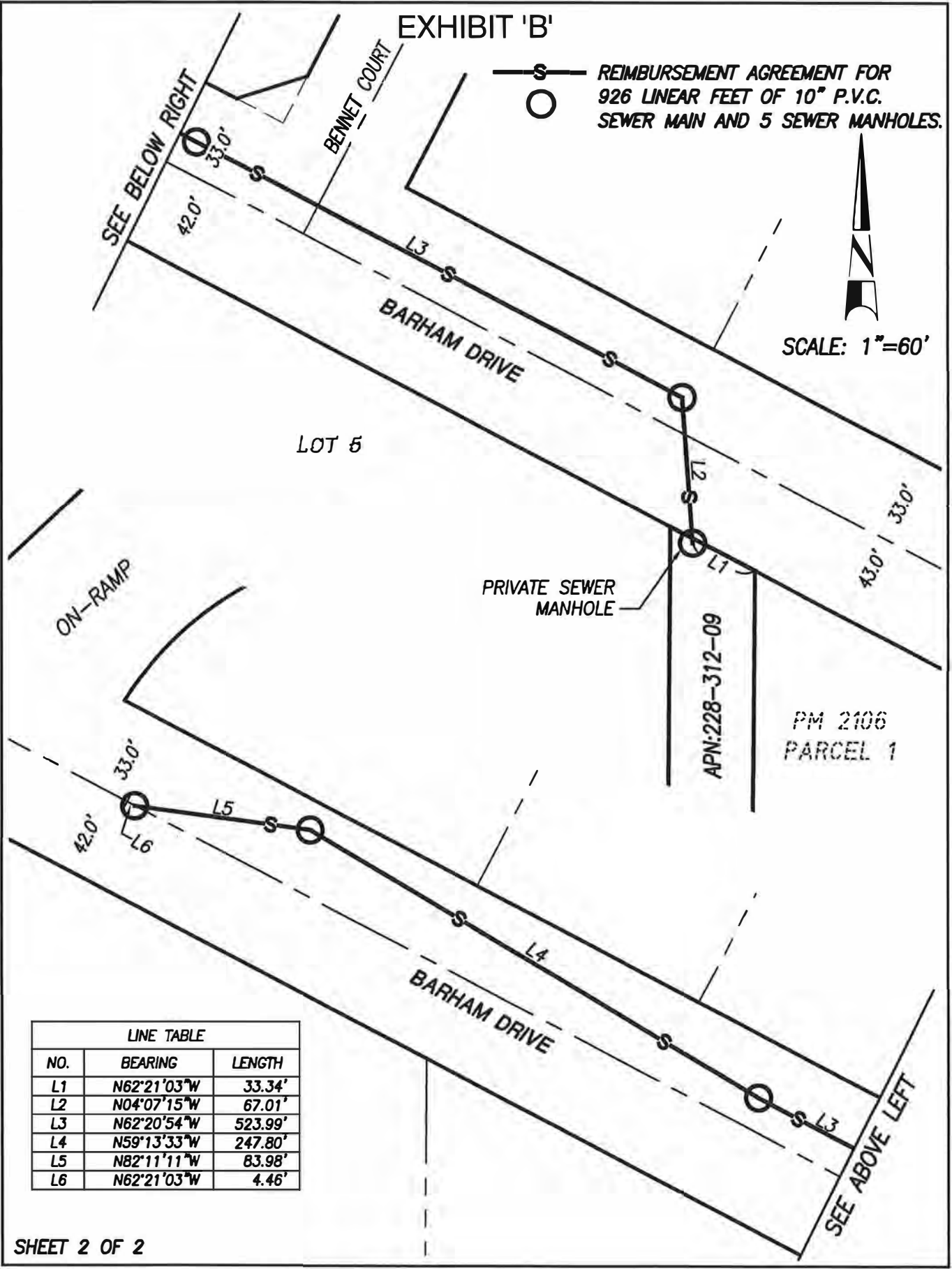
SHEET 1 OF 2

EXHIBIT 'B'


REIMBURSEMENT AGREEMENT FOR 926 LINEAR FEET OF 10" P.V.C. SEWER MAIN AND 5 SEWER MANHOLES.



SCALE: 1"=60'



LINE TABLE		
NO.	BEARING	LENGTH
L1	N62°21'03"W	33.34'
L2	N04°07'15"W	67.01'
L3	N62°20'54"W	523.99'
L4	N59°13'33"W	247.80'
L5	N82°11'11"W	83.98'
L6	N62°21'03"W	4.46'

DATE: FEBRUARY 2, 2022
TO: BOARD OF DIRECTORS
SUBJECT: FINDINGS TO CONTINUE HOLDING REMOTE/TELECONFERENCE MEETINGS PURSUANT TO ASSEMBLY BILL 361

BACKGROUND:

As discussed in the October 20, 2021, and January 12, 2022, staff reports related to holding in-person or teleconference Board meetings, the State of California has adopted legislation (AB 361), which allows local public agencies to hold fully or partially virtual meetings under certain circumstances without being required to follow certain standard Brown Act teleconferencing requirements.

Under AB 361, a legislative body holding a fully or partially virtual meeting pursuant to AB 361 must make certain findings at least every thirty (30) days in order to continue holding such meetings.

DISCUSSION:

In light of current COVID-19 conditions, if the Board desires to continue allowing remote participation pursuant to AB 361, the Board must reconsider the COVID-19 State of Emergency, find that the proclaimed COVID-19 State of Emergency still exists, and find either of the following:

(1) that state or local officials continue to impose or recommend measures to promote social distancing, or

(2) that as a result of the COVID-19 emergency, meeting in person would present imminent risks to the health or safety of attendees.

Based on the continued COVID-19 State of Emergency and required or recommended social distancing measures (particularly for individuals who have recently tested positive for COVID-19 or been in close proximity to a person who has tested positive for COVID-19), the Board may make the findings necessary to continue allowing Board members to participate remotely pursuant to AB 361.

FISCAL IMPACT:

None.

RECOMMENDATION:

Based on the information contained in the staff report, staff recommends that the Board make the following findings and determinations by majority vote of the Board:

1. The Governor-declared COVID-19 State of Emergency remains in effect and the Board has reconsidered the circumstances of the COVID-19 State of Emergency;

2. State or local officials continue to impose or recommend measures to promote social distancing; and
3. For the next thirty (30) days, the meetings of the Board and its committees may be held pursuant to the provisions of Government Code section 54953(e), allowing legislative body members and members of the public to participate in meetings remotely in accordance with that section.

DATE: FEBRUARY 2, 2022
TO: BOARD OF DIRECTORS
SUBJECT: NEW BENEFITS FOR EMPLOYEES IN MANAGEMENT POSITIONS

BACKGROUND:

The current Memorandum of Understanding (MOU) between Vallecitos Water District (District) and the Vallecitos Water District Employees Association (Association) excludes management and confidential positions. There are 6 management positions, 2 are executive managers including the General Manager and the Assistant General Manager, and 4 are managers (1 position is vacant) who report directly to the General Manager. The General Manager's compensation and benefits are subject to the terms of his employment agreement. No proposal is being made to change any benefits of the General Manager. The rest of the management positions (hereafter referred to as "managers") are subject to the same benefits and other terms and conditions of employment as the employees in the general employees' unit of representation.

DISCUSSION:

The MOU includes a new benefit added in 2019 in Section XIII. Vacation Leave Accrual, which states "At the discretion of the General Manager, new employees who have tenure at other public agencies may begin accrual at a higher rate than that for new employees, not to exceed the accrual rate at the employee's prior public employer up to a maximum of 120 hours annually." This benefit helps the District be more competitive during the recruitment process and allows new employees to start at a higher accrual rate than they otherwise would have. However, this benefit currently starts new employees with zero vacation hours until they start working and begin to accrue vacation leave. Although this is not uncommon, some agencies also provide an initial bank of vacation hours to these new employees, which also aids in recruitment, and recognizes their prior public service. In addition, this allows new employees to take time off with pay during the first year of employment when their vacation accrual would otherwise be too small, with prior approval. Staff proposes a new benefit for managers that allows for new hires with prior public service to receive an initial vacation leave bank upon their employment with the District, at the discretion of the General Manager, up to a maximum of eighty (80) hours. This would be a one-time benefit that would not impact their annual vacation accrual rate, including their first year of leave accrual.

Another new benefit that would help with the recruitment and hiring process of managers is the ability to provide a signing bonus. Signing bonuses would only be authorized by the General Manager after evaluating the current labor market conditions and if deemed necessary during negotiations with the candidate for the specific job offer. Staff proposes a new benefit for managers that allows for new hires to receive a signing bonus upon their employment with the District, at the discretion of the General Manager, up to a maximum of \$10,000. This would be a one-time non-PERSable lump sum bonus.

Lastly, managers are exempt employees who are not subject to FLSA or District overtime rules, and as such, are not eligible to receive overtime pay or compensatory time off. Again, although this is not uncommon, some agencies also provide 'Management Leave' to acknowledge the extra hours of work that are required of management employees throughout the year, such as answering phone calls, responding to emails, and attending meetings after hours, on the weekend, and/or while on vacation or other approved time off. Management Leave would have to be used in the year it is earned and would not carry over to the next year, similar to floating holidays, that are not a vested benefit and do not have a cash value. Staff proposes a new benefit for management employees that provides a minimum of forty hours of Management Leave up to a maximum of eighty hours, at the discretion of the General Manager, for time worked beyond the normal work hours. With the addition of Management Leave, staff also proposes a change to the District's current policy to require managers to use accrued leave when they take time off for partial day absences in excess of 4 hours. This new leave requirement is permitted by law for exempt employees when established by policy and applied consistently, which would apply to all managers.

A resolution (Attachment 1) is provided to approve these 3 new benefits for managers and change the District's policy to require managers to use leave for partial day absences in excess of 4 hours. The initial vacation leave bank and the signing bonus would only be available for new hires when warranted as described above; while the Management Leave and the use of accrued leave for partial days absence would apply to all managers. Although the initial vacation leave bank and the signing bonus could potentially also be used for other positions that are hard to recruit for, the appropriate time to consider changes to benefits for represented employees would be during negotiations with the Association for the next MOU.

FISCAL IMPACT:

For the initial vacation leave bank and the signing bonus, there is currently one vacant management position, and the estimated cost for these 2 new benefits in Fiscal Year 2021-2022 is \$9,000. There is no fiscal impact for Management Leave because this additional time off has no cash value; however, there may be some savings to the District as a result of managers having to use accrued leave for partial day absences in excess of 4 hours.

RECOMMENDATIONS:

Adopt the Board Resolution approving three new benefits for management employees: Vacation Leave Bank Upon Hire, Signing Bonus Upon Hire, and Management Leave; and changing District policy to require exempt employees to use leave for partial day absences in excess of 4 hours.

ATTACHMENT:

Resolution Adopting New Benefits Available for Managers Including Vacation Leave Bank Upon Hire, Signing Bonus Upon Hire, and Management Leave

RESOLUTION NO.

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
ADOPTING NEW BENEFITS AVAILABLE FOR MANAGERS,
INCLUDING VACATION LEAVE BANK UPON HIRE,
SIGNING BONUS UPON HIRE, AND MANAGEMENT LEAVE**

WHEREAS, the Vallecitos Water District (District) and the Vallecitos Water District Employees Association (Association) have entered into an agreement effective from July 1, 2019, through June 30, 2023, the terms of which are set forth in a Memorandum of Understanding (MOU); and

WHEREAS, Management and Confidential employees, who are not covered by the MOU, are provided the same terms and conditions of employment, including leave and benefits;

WHEREAS, the Board approved a Strategic Plan in 2022 with Strategic Focus Area 3, Workforce Excellence with the focus to attract and retain a well-trained, diverse, and inclusive workforce;

WHEREAS, the Board desires to approve new benefits of Vacation Leave Bank Upon Hire, Signing Bonus Upon Hire, and Management Leave, available to new Management employees not including the General Manager (Hereinafter “managers”) when deemed necessary for successful recruitment and in the best interest of the District during the hiring process, based on the General Manager’s discretion; and,

WHEREAS, the Board desires to provide current managers with the same new benefit of Management Leave and to revise current District policy to require Management employees to use paid time off for partial days of absence in excess of 4 hours;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Vallecitos Water District as follows:

SECTION 1: MANAGEMENT EMPLOYEES. The Board of Directors does hereby approve and adopt amended rules, regulations, and procedures, compensation, and other conditions of employment for managers as indicated above to provide new benefits of Vacation Leave Bank Upon Hire, Signing Bonus Upon Hire, and Management Leave; and changing District policy to require leave usage for partial day absences in excess of 4 hours.

Except amended herein, Managers shall be subject to all other terms and conditions of employment in the Vallecitos Water District Employee Handbook and contained in the MOU for Fiscal Years 2019/20, 2020/21, 2021/22, and 2022/23.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held on the 2nd day of February, 2022, by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Craig Elitharp, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruijn, Secretary
Board of Directors
Vallecitos Water District

DATE: FEBRUARY 2, 2022
TO: BOARD OF DIRECTORS
SUBJECT: SCHOLARSHIP CONTEST RECOMMENDATION

BACKGROUND:

The Public Awareness/Personnel/Policy (P3) Committee has been reviewing the subject of providing scholarships to local students.

DISCUSSION:

The P3 Committee recommends that the District offer flat amount (\$1,000.00) college scholarships to one student at Palomar College and one at California State University San Marcos as well as one senior at each of the following high schools: Mission Hills High School, San Marcos High School, Foothills/Twin Oaks High School, High Tech High North County High School. A total of six scholarships would be offered annually, requiring an annual budget of \$6,000.00. Payment would be made directly to the student.

The selection process would require candidates to submit: an application, an essay, a letter of recommendation and a financial needs worksheet. The P3 Committee would serve as competition judges and be responsible for reviewing and recommending scholarship recipients to the Board of Directors each year.

Upon Board approval, staff will develop an outreach effort to distribute application packages to college and high school counselors. Additional scholarship promotional efforts will include placing information about the scholarship in college and high schools' monthly bulletins and on daily video bulletins (if available), issuing a Press Release, and announcing the program on our website and on social media. Application materials will also be made available on the District website.

Staff has conferred with legal counsel. Counsel notes the District may fund the scholarships provided that the District:

- 1) makes findings on the record that demonstrate that funding the scholarships furthers a District purpose by:
 - a. prominently displaying the District and its place in the community as the agency providing water, wastewater, and recycled water services;
 - b. fostering students' interest in engineering, water resources and other fields related to the District's functions;
 - c. making students aware of career possibilities in the water industry.
- 2) funding for the scholarships must come from lease or cell tower revenue.

FISCAL IMPACT:

Direct costs for the scholarship program would be \$6,000.00 annually.

RECOMMENDATION:

Staff recommends the Board approve implementation of an annual scholarship program.

DATE: FEBRUARY 2, 2022
TO: BOARD OF DIRECTORS
SUBJECT: RESOLUTION OF THE BOARD OF DIRECTORS IN SUPPORT OF CITY OF SAN MARCOS ORDINANCE 2021-1507 RESTRICTING THE USE OF SINGLE-USE PLASTIC FOOD SERVICE WARE

BACKGROUND:

City of San Marcos Ordinance 2021-1507, which was introduced on October 12, 2021, and adopted on October 26, 2021, restricts the use of single-use plastic food service ware.

DISCUSSION:

The Vallecitos Water District is committed to ongoing efforts to reduce the usage of products that are harmful to the environment, and seeks to encourage and promote long-lasting reusable products as ultimately the most effective approach in reducing single-use plastic pollution.

Accordingly, District staff requests that the Board adopt a resolution declaring support for City of San Marcos Ordinance 2021-1507.

FISCAL IMPACT:

It is expected that District costs to switch from single-use plastics to other more sustainable products would cost less than \$400 annually.

RECOMMENDATION:

Adopt a resolution supporting City of San Marcos Ordinance 2021-1507.

ATTACHMENT:

Proposed Resolution

RESOLUTION NO.

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
IN SUPPORT OF CITY OF SAN MARCOS ORDINANCE 2021-1507
RESTRICTING THE USE OF SINGLE-USE PLASTIC FOOD SERVICE WARE**

WHEREAS, the Vallecitos Water District is committed to ongoing efforts to reduce the usage of products that are harmful to the environment;

WHEREAS, the Vallecitos Water District seeks to encourage and promote long-lasting reusable products as ultimately the most effective approach in reducing single-use plastic pollution;

WHEREAS, the Vallecitos Water District is committed to protecting the beauty as well as cleanliness of parks, waterways, open space, facilities, roadways, and the community in general from litter in its service area;

WHEREAS, the Vallecitos Water District seeks to encourage the usage of products that do not have a detrimental effect on the natural environment;

WHEREAS, the California Coastal Commission has developed "A Plan of Action from The Plastic Debris Project" in 2006, which recommends that local governments impose limits, bans, and prohibitions on materials that more commonly become litter and marine debris;

WHEREAS, the Vallecitos Water District is in the process of reviewing and modifying its procurement policies to implement the purchase of recyclable materials and products where operationally feasible and financially viable, according to requirements from the State of California implemented through the California Department of Resources, Recycling, and Recovery;

WHEREAS, City of San Marcos Ordinance 2021-1507 was introduced on October 12, 2021, and adopted on October 26, 2021, which restricts the use of single-use plastic food service ware;

NOW, THEREFORE, the Board of Directors of the Vallecitos Water District, issues this Resolution in support of City of San Marcos Ordinance 2021-1507.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held on the 2nd day of February, 2022, by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Craig Elitharp, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruum, Secretary
Board of Directors
Vallecitos Water District