

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
TUESDAY, MAY 10, 2022, AT 5:00 PM, AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

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

Present: Director Boyd-Hodgson
Director Elitharp
Director Hernandez
Director Pennock (Arrived 5:09 p.m.)
Director Sannella

Staff Present: General Manager Pruum
Legal Counsel Norvell
Administrative Services Manager Emmanuel
District Engineer Hubbard
Finance Manager Owen
Operations & Maintenance Manager Pedrazzi
Capital Facilities Senior Engineer Morgan
Public Information/Conservation Supervisor Robbins
Principal Financial Analyst Arthur
Information Technology Technician Todd
Executive Assistant Johnson

Others Present: Scott McClelland, General Manager, Encina Wastewater Authority

La Costa Meadows Elementary School student Tyson Reynolds led the pledge of allegiance.

ADDITIONS TO THE AGENDA

None.

ADOPT AGENDA FOR THE SPECIAL MEETING OF MAY 10, 2022

22-05-01 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, with Director Pennock absent, to adopt the agenda for the Special Board Meeting of May 10, 2022.

PUBLIC COMMENT

None.

PRESENTATION

Fifth grade students from La Costa Meadows Elementary School provided a presentation to the Board regarding their participation in the Water Resource Management Leadership Program.

Director Pennock joined the meeting at 5:09 p.m.

CONSENT CALENDAR

22-05-02 MOTION WAS MADE by Director Sannella, seconded by Director Boyd-Hodgson, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Regular Board Meeting – April 20, 2022
- B. Engineering/Equipment Committee Meeting – April 26, 2022
- C. Board Workshop Meeting – April 27, 2022

1.2 Warrant List through May 10, 2022 - \$3,890,404.05

1.3 Task Order Amendment Approval for the Meadowlark Water Reclamation Facility Landscaping Improvements Project

1.4 Resolution for District Credit Card Policy Update

1.5 Consideration of Organizational Achievement Awards

ACTION ITEM(S)

ADOPTION OF RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT APPROVING ENCINA WASTEWATER AUTHORITY'S FISCAL YEAR 2023 OPERATING AND CAPITAL IMPROVEMENT BUDGET

General Manager Pruim stated the District is one of six member agencies of the Encina Wastewater Authority (EWA) which provides regional wastewater treatment and disposal for its member agencies. The District is responsible for its proportionate share of EWA's cost of operation. Unanimous approval of the EWA budget by the member agencies is required prior to the budget becoming effective.

Scott McClelland, EWA General Manager, facilitated a presentation on EWA's Fiscal Year (FY) 2023 budget as follows:

- Budget Schedule
- FY 2023 Budget Summary
- Operating Program
- FY 2023 Proposed Operating Budget
- Summary of Net Operating Expense Change
- Operating Budget Revenue Summary
- Revenue Summary
- Vallecitos Water District
- Other Revenue
- Capital Program
- Summary of Capital Expenses
- EWPCF – Capital Improvements Summary by Process Area
- 4 Key Projects are 70% of FY 2023 Capital Budget
- Summary of Capital Allocation

The District's share of the Proposed EWA 2023 Operating Budget is \$3,303,792 which is \$35,152 (1.1%) lower than the FY 2022 Operating Budget. The District's share of the Proposed EWA 2023 Capital Budget is \$5,602,850 which is \$982,348 (21.3%) higher than the FY 2022 Capital Budget.

Question and answer took place during and after the presentation.

Staff recommended the Board adopt a resolution approving the EWA Fiscal Year 2023 Operating and Capital Improvement Budget.

22-05-03 MOTION WAS MADE by Director Hernandez, seconded by Director Boyd-Hodgson, and carried unanimously, to adopt the resolution.

Resolution No. 1613 - The roll call vote was as follows:

AYES: Boyd-Hodgson, Hernandez, Pennock, Sannella, Elitharp
NOES:
ABSTAIN:
ABSENT:

VALLECITOS WATER DISTRICT FISCAL YEAR 2022/2023 BUDGET UPDATE

Finance Manager Owen provided an update on the District's Fiscal Year 2022/2023 budget process as follows:

- Budget Calendar (February)
- Budget to Actual – Water
- Budget to Actual – Sewer
- Budget Calendar (March)

- Water Operating Expenses
- Operating Expenses – Water
- Draft Operating Budget – Water
- Wastewater Operating Expenses
- Draft Operating Budget – Sewer
- Budget Calendar (April)
- Preliminary Salary and Benefits
- Operating Budget – Salaries and Benefits
- Operating Budget – Full-Time Equivalent Employees
- Salary and Benefits Initiatives
- Draft Capital Budget Page
- Draft Capital Budget
- Vehicles and Equipment
- Budget Calendar (May)

Principal Financial Analyst Arthur presented information regarding Water Sales and Purchases, Water Purchases, and Sewer Revenue.

Finance Manager Owen concluded the budget update presentation with information regarding Replacement Reserves.

General discussion took place during and after the presentations.

Staff will present the draft proposed budget at a Special Board meeting on May 19, and the recommended budget for approval at the Regular Board meeting on June 1.

This item was presented for information only.

REPORTS

GENERAL MANAGER

General Manager Pruim reported the following:

- The May 18 Regular Board meeting will be cancelled. A Special Board meeting will be scheduled for May 19.
- The San Marcos Chamber of Commerce State of the City/Excellence in Business Awards luncheon is scheduled for June 8. Directors should indicate their interest in attending the event.
- Thirteen applications were received for the District's scholarship program. Staff will review the applications with the Public Awareness/Personnel/Policy Committee. The Committee's recommendations will be presented to the Board at a future Board meeting.

DISTRICT LEGAL COUNSEL

Legal Counsel Norvell reported that Best Best & Krieger is tracking the status of several legislative bills that could potentially relax some of the rules for teleconferencing in non-emergency situations. Legal Counsel will update the Board on the bills as new information is available.

SAN DIEGO COUNTY WATER AUTHORITY

Director Elitharp reported on actions taken by the SDCWA Board at their Regular meeting on April 28.

ENCINA WASTEWATER AUTHORITY

Director Hernandez stated the Capital Improvement Committee will met next week.

Director Sannella reported on his attendance to the EWA Board meeting at which the Board heard a budget presentation. The Policy and Finance Committee met this morning. The Committee reviewed EWA's cash flow process.

STANDING COMMITTEES

None.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Directors Hernandez, Boyd-Hodgson, and Pennock reported on their attendance to the Association of California Water Agencies Spring Conference in Sacramento.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Sannella passed along positive feedback he received about District staff that service the reservoir near Schoolhouse Road in the San Elijo Hills area.

ADJOURNMENT

There being no further business to discuss, President Elitharp adjourned the Special Meeting of the Board of Directors at the hour of 7:42 p.m.

A Regular Meeting of the Vallecitos Board of Directors has been scheduled for Wednesday, June 1, 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