

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
THURSDAY, MAY 19, 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 (Arrived 5:03 p.m.)  
Director Sannella

Staff Present: General Manager Pruim  
Assistant General Manager Gumpel  
Legal Counsel Gilpin  
District Engineer Hubbard  
Finance Manager Owen  
Operations & Maintenance Manager Pedrazzi  
Development Services Senior Engineer Lopez  
Principal Financial Analyst Arthur  
Information Technology Technician Todd  
Executive Assistant Johnson

General Manager Pruim led the pledge of allegiance.

ADDITIONS TO THE AGENDA

None.

ADOPT AGENDA FOR THE SPECIAL MEETING OF MAY 19, 2022

22-05-04 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 19, 2022.

PUBLIC COMMENT

None.

CONSENT CALENDAR

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

- 1.1 Approval of Minutes
  - A. Special Board Meeting – May 10, 2022
- 1.2 Warrant List through May 19, 2022 - \$3,316,376.11
- 1.3 Financial Reports
  - A. Water Meter Count – April 30, 2022
  - B. Water Production/Sales Report – 2021/2022
  - C. Per Capita Water Consumption – April 30, 2022
  - D. Water Revenue and Expense Report – April 30, 2022
  - E. Sewer Revenue and Expense Report – April 30, 2022
  - F. Reserve Funds Activity – April 30, 2022
  - G. Investment Report – April 30, 2022
  - H. Legal Fees Summary – April 30, 2022
- 1.4 Final Acceptance of Water and Sewer Improvements for Kaiser Permanente Hospital – San Marcos Medical Center (Kaiser Foundation Hospitals)
- 1.5 Approval of Construction Agreement for Discovery Village South Residential Phase B Water and Sewer Improvements and Approval of Amended Construction Agreement for Discovery Village South Phase A Water and Sewer Improvements (Discovery SL, LLC)
- 1.6 Delegate Authority of Final Acceptance of Water and Sewer Improvements for Discovery Village South Phase A (Discovery SL, LLC)
- 1.7 Delegate Authority of Final Acceptance of Water and Sewer Improvements for Mission Villas Improvements (KB Home Coastal, Inc.)

Director Pennock joined the meeting at 5:03 p.m.

ACTION ITEM(S)

WATER SUPPLY CONDITIONS UPDATE

General Manager Prum facilitated a presentation, Update on Water Supply Conditions, as follows:

- Vallecitos Currently in a Level 2 – Drought Alert
- Northern Sierra 8-Station Precipitation Index

- Snowpack Water Content
- California Reservoir Storage
- Colorado River Status
- Three-Month Temperature Outlook
- Three-Month Precipitation Outlook
- Conclusion

General discussion took place.

This item was presented for information only.

#### VALLECITOS WATER DISTRICT DRAFT PROPOSED FISCAL YEAR 2022/2023 BUDGET

Finance Manager Owen facilitated a presentation on the Draft Proposed Fiscal Year 2022/2023 Budget as follows:

- Budget Process and Calendar
- 2022/23 Budget – \$100,229,000
- 2022/23 Water Operating Expense Budget – \$47,715,000
- Operating Budget – Water
- 2022/23 Wastewater Operating Expense Budget – \$14,237,000
- Operating Budget – Sewer
- Salary and Benefits Budget to Budget Comparison
- Operating Budget – Salaries and Benefits
- Budget History

Principal Financial Analyst Arthur presented information on the following:

- Water Sales – Distribution
- Water Usage – Customer Months
- Water Sales – Revenue
- Water Purchases
- Sewer Revenues

Finance Manager Owen continued with his budget presentation as follows:

- Capital Budget to Budget Comparison
- Capital Improvement Projects by Function Total
- Reserve Projections
- Reserve Balances
- Water Reserves – Replacement

- Water Reserves – Total
- Wastewater Reserves – Replacement
- Wastewater Reserves – Total
- Days In Cash
- Next Steps

Finance Manager Owen stated the Recommended Budget will be presented at the June 1, 2022, Regular Board meeting for adoption.

General discussion took place during and after the presentation.

This item was presented for information only.

## REPORTS

### GENERAL MANAGER

General Manager Pruim reported the following:

- District staff is attending the San Marcos Promise Future Fair at Mission Hills High School today. The event allows high school students to network with industry professionals. Over 1,000 students are expected to attend the event.
- The District received \$46,000 from the state's wastewater arrearages program. The District will have to return some of the funds to the state as some customers brought their accounts up to date during the time between when the District applied for and received the funds.
- The District's interim audit will kick off on June 13. DavisFarr, the District's auditing firm, will conduct an interim audit and present the final audit in September.

### DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin provided a brief overview and update on the Lake San Marcos litigation which began in 2011. The lawsuit has not been settled yet. Legal Counsel Gilpin will provide additional information once litigation has concluded.

Legal Counsel Gilpin provided an update on two bills moving forward pertaining to amendments to the Brown Act and relaxing teleconferencing rules outside of a pandemic situation. He also commented on another bill related to meeting disruptions and a bill that would require meeting materials to be made available to the public at the time they are distributed to the Board.

SAN DIEGO COUNTY WATER AUTHORITY

Director Elitharp stated the SDCWA Board will hold their regular meeting on May 26.

ENCINA WASTEWATER AUTHORITY

Director Hernandez stated the Capital Improvement Committee met on May 18. The Committee received updates on the Digester 4 and Digester 5 rehabilitation projects.

Director Sannella stated the EWA Board of Directors and Policy and Finance Committee have not met since the last Board meeting.

STANDING COMMITTEES

None.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Pennock reported on his attendance to the California Special Districts Association (CSDA) Legislative Days conference May 17-18.

Director Hernandez reported on his attendance to the CSDA Legislative Days conference and the San Diego North Economic Development Council's Economic Summit on May 11.

Directors Sannella and Boyd-Hodgson reported on their attendance to the Council of Water Utilities meeting on May 17.

OTHER BUSINESS

QUARTERLY BOARD EXPENSES

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

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Hernandez requested an update on the District's scholarship program. Director Boyd-Hodgson provided an update.

ADJOURNMENT

There being no further business to discuss, President Elitharp adjourned the Special Meeting of the Board of Directors at the hour of 6:31 p.m.

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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.

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Craig Elitharp, President  
Board of Directors  
Vallecitos Water District

ATTEST:

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Glenn Pruim, Secretary  
Board of Directors  
Vallecitos Water District