

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, AUGUST 3, 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
Director Sannella

Staff Present: General Manager Pruim
Assistant General Manager Gumpel
Legal Counsel Gilpin
Administrative Services Manager Emmanuel
Chief Financial Officer Owen
Operations & Maintenance Manager Pedrazzi
Capital Facilities Senior Engineer Morgan
Development Services Senior Engineer Lopez
Capital Facilities Assistant Engineer Pereira
Principal Financial Analyst Arthur
Information Technology Analyst Todd
Engineering Technician I Fretwell
Engineering Technician II Lopez
Engineering Technician III Stichter
Senior Executive Assistant Flores
Executive Assistant Johnson

Others Present: John Wright, Raftelis
Lutfi Kharuf, Best & Krieger

Assistant General Manager Gumpel led the pledge of allegiance.

ADDITIONS TO THE AGENDA

None.

ADOPT AGENDA FOR THE REGULAR MEETING OF AUGUST 3, 2022

22-08-03 MOTION WAS MADE by Director Sannella, seconded by Director Boyd-Hodgson, and carried unanimously, to adopt the agenda for the Regular Board Meeting of August 3, 2022.

PUBLIC COMMENT

Elizabeth Laisle, member of the public, informed the Board of a billing issue between the District and her daughter.

Fran Grizas, member of the public, commented that there are two Directors up for election and stated that there are promises that have been left unfulfilled that were made during election campaigns. Ms. Grizas further stated her concern for the volume of homes being constructed and the water supply to new residents.

PRESENTATION

Anne Lopez, Engineering Technician II, was presented with her Certificate for Water Distribution Operator Grade 2 from the State Water Resources Control Board.

CONSENT CALENDAR

22-08-04 MOTION WAS MADE by Director Hernandez, seconded by Director Pennock, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Regular Board Meeting – July 20, 2022
- B. Engineering/Equipment Committee Meeting – July 26, 2022

1.2 Warrant List Through August 3, 2022 - \$5,645,001.68

1.3 Authorization to Execute a Purchase Agreement for Microsoft Enterprise Licensing

1.4 Approval of Escrow Account for Water Capital Facility Fees for Palisades Estates Phase 1 and Phase 2 (Program Resources, Inc.)

1.5 Approval of Construction Agreement for Murai Phase 2 Water and Sewer Improvements and Approval of Amended Construction Agreement for Murai Phase 1 Water and Sewer Improvements (Lennar Homes of California, LLC.)

1.6 Award of Amendment to As-Needed Task Order for Environmental, Health, and Safety Technical Assistance

ACTION ITEM(S)

DISTRICT TELECOMMUTING POLICY

General Manager Pruum provided details of the proposed telecommuting policy as outlined in the staff report included in the agenda packet. General Manager Pruum stated that the telecommuting policy would initially be a 6-month pilot program and could be modified based on the data and metrics received over the evaluation period.

General discussion took place during which Directors Boyd-Hodgson, Elitharp and Sannella expressed concerns with cybersecurity, home workspace conditions and costs. Directors Elitharp and Sannella voiced their support of a telecommuting policy; however, they felt that the policy was not ready for implementation until additional details were vetted out. Director Boyd-Hodgson suggested the policy be modified to allow District Supervisors to telecommute after a 3-month evaluation of the pilot program.

22-08-05 MOTION WAS MADE by Director Hernandez, seconded by Director Pennock, and carried 3-2, with Directors Elitharp and Sannella voting no, to adopt the resolution approving the telecommuting policy with a modification that District Supervisors will be eligible to participate in the telecommuting pilot program after a 3-month evaluation period.

Resolution No. 1621 – The roll call vote was as follows:

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

CAPITAL IMPROVEMENT PROGRAM ANNUAL REPORT

Capital Facilities Senior Engineer Morgan presented the Capital Improvement Program (CIP) 2021/2022 Annual Report as follows:

- 2021/2022 Capital Project Spending Summary
- Projected vs. Actual CIP Construction Spending
- Change Order Total vs. Industry Standard
- Actual 2021/2022 Completed Projects Change Order Impact
- CIP Design Engineering New Contracts
- Active CIP Design Projects
- CIP Historic Design Spending

- Projects in Construction Fiscal Year 2021/2022
- CIP Historical Annual Budget vs. Actual Spending
- Montiel Lift Station Final Design Easement Acquisition
- MRF Odor Scrubber #1 and Headworks Augers Replacement
- MRF Aeration Basin Improvements
- Sage Canyon Tank Refurbishment
- Tesla Battery Energy Storage Systems (BESS)

General discussion took place.

This item was presented for information only.

2022 WATER RATE PUBLIC HEARING NOTICE

John Wright, Senior Manager with Raftelis (District Consultant), and Principal Financial Analyst Arthur provided the Board with an overview of the Cost-of-Service Study (COSS) process for water rates (not wastewater) and Proposition (Prop) 218 Public Hearing Notice as follows:

- Cost-of-Service Process
- What is Cost-of-Service?
- California Proposition 218: A Cost-of-Service Mandate
- Cost-of-Service: Allocation to Cost Components
- Study Objectives
- Current Commodity Rates
- Current Ready-to-Serve (RTS) Charges
- Calendar
- Items to Note
- Fixed RTS Charges
- Commodity Rates
- Single Family Residence Usage
- Sample Bills
- Drought Rates
- Drought Rate Impacts
- Rate Survey
- 5-Year Survey Comparison
- Next Steps

General question and answer took place during and after the presentation.

Principal Financial Analyst Arthur informed the Board of the Prop 218 Public Hearing Notice timelines and that the District will need to mail out paper notices to its customers no later than August 11, 2022, to remain in compliance with the statute. Director Boyd-Hodgson asked why the District is conducting the public hearing at a Special Meeting on September 28, 2022, and not a regularly scheduled Board meeting. General Manager Pruim stated the District would need to coordinate printing and mailing efforts with the selected vendor to mail out the public notice. General Manager Pruim further stated that the 45-day timeline requirement would push the date of the meeting past the District's second scheduled meeting in September, should the agenda item be approved.

General discussion took place.

Staff recommended the Board approve the Prop 218 Notice mailing and set the public hearing for September 28, 2022.

General Manger Pruim clarified that the Board was not being asked to adopt a rate increase at this meeting and was only being asked to consider approving the public rate hearing notice and the public hearing scheduled for September 28, 2022. Proposed rate increases are for water only. No increase for wastewater rates is proposed. General Manager Pruim stated the Board will have the flexibility to adopt future possible rate increases.

Further general discussion took place.

22-08-06 MOTION WAS MADE by Director Hernandez, seconded by Director Pennock, and carried unanimously, to approve the Prop 218 public rate hearing notice mailing and set the public hearing for September 28, 2022.

REPORTS

GENERAL MANAGER

General Manager Pruim reported the following:

- The Chlorine Contact Tank project initially received a federal \$800,000 grant and just received approval for another \$1 Million state grant for the project.
- The District delivered a big rain barrel at the school district, and it should be installed prior to school starting.

DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin informed the Board the State Legislature will be closing session in late August and that there are two bills that may be of interest to the District. Assembly Bill 2499 is a teleconferencing bill that would update posting requirements. Legal Counsel Gilpin informed the Board that the Association of California Water Agencies (ACWA) is leading a coalition to oppose Senate Bill 222 Water Rate Assistance Program. ACWA is not opposed to the bill itself, but how the bill is currently written.

SAN DIEGO COUNTY WATER AUTHORITY

Director Elitharp stated the San Diego County Water Authority (SDCWA) had its Regular Board meeting on July 28, 2022, and provided a summary of actions taken by the Board.

ENCINA WASTEWATER AUTHORITY

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

Director Sannella stated the Policy and Finance Committee met on August 9, 2022. The Committee received an overview of the Tactical Plan and reviewed the agency's policy on their Conflict-of-Interest Code.

STANDING COMMITTEES

Director Hernandez stated that the Engineering and Equipment Committee met and received a preview of the CIP annual report.

Director Boyd-Hodgson stated the Public Awareness/Personnel/Policy Committee met on August 1. The Committee reviewed Ordinance No. 216.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Directors Sannella and Elitharp reported on their attendance to the San Marcos Chamber of Commerce "Meet Your Elected Officials" Business Mixer.

Director Boyd-Hodgson reported on her attendance to the ACWA Region 10 event on August 2, 2022.

OTHER BUSINESS

MEETINGS

The Association of California Water Agencies Fall Conference is scheduled for November 29 – December 1, 2022. General Manager Pruim asked the Board to inform the Senior Executive Assistant or Executive Assistant if they intend to attend the conference.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

None.

ADJOURNMENT

There being no further business to discuss, President Elitharp adjourned the Regular Meeting of the Board of Directors at the hour of 7:34 p.m.

A Regular Meeting of the Vallecitos Board of Directors has been scheduled for Wednesday, August 17, 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