

AMENDED
AGENDA FOR A COMMITTEE MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
MONDAY, JANUARY 11, 2010, AT 12:00 P.M.
AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT FERGUSON

PLEDGE OF ALLEGIANCE – DIRECTOR SHELL

ROLL CALL

ORAL COMMUNICATIONS

Persons wishing to address a matter not on the Agenda may be heard at this time; however, no action will be taken until the matter is placed on a future agenda in accordance with Board policy.

ITEMS FOR DISCUSSION

1. APPROVAL OF CONSTRUCTION CHANGE ORDERS FOR THE DISCOVERY STREET SEWER PROJECT
2. ACTIVITY REPORT FOR PUBLIC INFORMATION AND CONSERVATION FOR NOVEMBER/DECEMBER 2009
3. WINTER 2010 "SPLASH!"
4. INVESTMENT REPORT FOR DECEMBER 2009
5. PAYMENT OF WATER AND SEWER CAPACITY FEES
6. PROPOSED 2010 INVESTMENT POLICY RESOLUTION

*****END OF DISCUSSION ITEMS*****

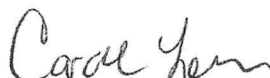
OTHER BUSINESS

*****END OF OTHER BUSINESS*****

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. 261 at least 48 hours prior to the meeting.

AFFIDAVIT OF POSTING

I, Carol Lewis, Executive Secretary of the Vallecitos Water District, hereby certify that I caused the posting of this Agenda in the outside display case at the District office, 201 Vallecitos de Oro, San Marcos, California by 12:00 p.m., Thursday, January 7, 2010.



Carol Lewis

MINUTES OF THE COMMITTEE MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
MONDAY, JANUARY 11, 2010, AT 12:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Ferguson called the Committee meeting to order at the hour of 12:00 p.m.

Director Hannan led the pledge of allegiance.

Present: Director Ferguson
Director Gentry
Director Hannan
Director Poltl
Director Shell

Staff Present: General Manager Lamb
Director of Finance Scaglione
Director of Human Resources Caudle
Engineering Manager Gerdes
Operations & Maintenance Manager Arrant
Capital Facilities/Construction Engineer Gumpel
Capital Facilities Engineer Scholl
Engineering Supervisor Brandstrom
Public Information Representative Webb
Public Information Representative Yerman
Executive Secretary Lewis
Administrative Secretary Posvar

ORAL COMMUNICATIONS

None.

COMMITTEE ITEMS

APPROVAL OF CONSTRUCTION CHANGE ORDERS FOR THE DISCOVERY STREET
SEWER PROJECT

Capital Facilities Engineer Scholl reported that a total of ten change orders have been generated during construction. Change Orders No. 1 through 9A have been approved by staff in accordance with District Ordinance No. 146 for a total of \$93,788. Adding Change Orders No. 9B and 10 exceeds the Ordinance's \$107,000 construction contingency. In order to maintain the construction schedule and avoid delay charges by Utah Pacific, staff signed these change orders, which made the total percentage slightly over the Ordinance percentage but still within the overall project budget. The change orders were not previously presented to the Board due to the timing of Board/Committee meetings and the imminent completion of the work. The costs for Change Orders No. 9B and 10 are \$24,812.

The approved fiscal year 2009/2010 Capital budget amount for this project is \$2,390,000. Even with the change orders included, staff foresees the project being completed well under budget.

Staff requested the Board Committee's recommendation to the full Board for consideration and approval of Change Orders No. 9B and 10 to Utah Pacific Construction's contract in the

amount of \$24,812.00.

Following general discussion, the Board Committee recommended that this item be submitted to the full Board at a regular Board of Directors meeting for consideration and approval.

ACTIVITY REPORT FOR PUBLIC INFORMATION AND CONSERVATION FOR NOVEMBER/DECEMBER 2009

Public Information Representative Webb presented the Activity Report. He noted that Water Budget training is continuing at the San Diego County Water Authority. General discussion took place regarding the training.

WINTER 2010 "SPLASH!"

Public Information Representative Webb presented the draft Splash! publication. There were no additional comments by the Board Committee on the publication.

INVESTMENT REPORT FOR DECEMBER 2009

Director of Finance Scaglione presented the Investment Report for December 2009. He noted that we are now in compliance with the liquidity provisions and all other provisions of the investment policy. He reviewed the investment activity for the month of December, liquidity provisions, and investments by type.

The Board Committee expressed concern regarding the percentage of investment in LAIF. During discussion, the Board Committee recommended that Legal Counsel look into any possibility for the State to acquire the LAIF funds and to report findings at the next Board Committee meeting.

PROPOSED 2010 INVESTMENT POLICY RESOLUTION

Director of Finance Scaglione presented the draft Investment Policy Resolution. During general discussion, the Board Committee recommended that this item be brought back to the next Board Committee meeting in order to allow Legal Counsel to obtain additional information prior to any recommendation being made.

PAYMENT OF WATER AND SEWER CAPACITY FEES

General Manager Lamb reported that staff has had discussions with the development community regarding the payment of water and sewer capacity fees. The discussions generally touched on the timing of capacity fee payment and whether the fees could be deferred. Current District practice requires that all project fees, deposits and bonds be received prior to Board approval of maps, construction agreements, and improvement plans. Staff explored the possible flexibility in developing a policy that would allow some very large projects to pay their fees in a block at the point the building permit is pulled. It was agreed in general that there was no consideration of payment of fees at the point a Certificate of Occupancy was issued.

Engineering Manager Gerdes reviewed the process that took place to research and collect information in order to develop options for a revised policy. Staff met with local water districts, City of San Marcos staff, developers, and Building Department staff. He reviewed the options being proposed by staff. General discussion took place regarding the various classifications that projects would be grouped under and implementation of a process that would ensure payment of fees and minimize the potential of building permits being issued prior to payment of District fees. Staff indicated that, concurrent with development of the proposed policy, a plan review and payment process would be developed that follows the proposed policy.

This item was presented for conceptual purposes with Board concurrence to move forward with development of a revised policy for Board consideration.

OTHER BUSINESS

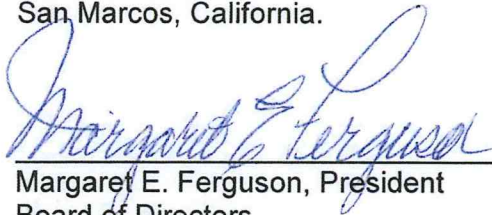
DRAFT ARTICLES OF ASSOCIATION AND DRAFT BYLAWS OF THE COUNCIL OF WATER UTILITIES

The Council of Water Utilities provided the draft Articles of Association and draft Bylaws to various water agencies for review and comment. The vote on the Articles and Bylaws will take place at the February 16 Council of Water Utilities (COWU) meeting. Concern was expressed over the section which allows COWU to incur debt. The Board Committee recommended that Legal Counsel review the documents and provide feedback.

ADJOURNMENT

There being no further business to discuss, President Ferguson adjourned the Board Committee meeting at the hour of 12:57 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, January 20, 2010, at 4:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.



Margaret E. Ferguson, President
Board of Directors
Vallecitos Water District

ATTEST:



Dennis O. Lamb, Secretary
Board of Directors
Vallecitos Water District