

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, FEBRUARY 3, 2010, AT 4:00 P.M.  
AT THE DISTRICT OFFICE  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT FERGUSON

PLEDGE OF ALLEGIANCE – DIRECTOR POLTL

ROLL CALL

In the case of an emergency, items may be added to the Agenda by a majority vote of the Board of Directors. An emergency is defined as a work stoppage; a crippling disaster; or other activity which severely imperils public health, safety, or both. Also, items which arise after the posting of the Agenda may be added by a two-thirds vote of the Board of Directors.

ADOPT AGENDA FOR THE REGULAR MEETING OF FEBRUARY 3, 2010

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.

NOTICE TO THE PUBLIC

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.

CONSENT CALENDAR

1.1 APPROVAL OF MINUTES

A. REGULAR BOARD MEETING – JANUARY 20, 2010

*Approved minutes become a permanent public record of the District.*

**Recommendation: Approve Minutes**

1.2 WARRANT LIST THROUGH FEBRUARY 3, 2010 - \$1,913,581.33

**Recommendation: Approve Warrant List**

1.3 BANK RESOLUTION WITH UNIONBANC

*This Resolution is necessary to use as a broker to secure CD's*

**Recommendation: Approve Bank Resolution with Unionbanc**

1.4 BANK RESOLUTION WITH CITIBANK

*This Resolution is necessary to acquire a CD directly through Citibank*

**Recommendation: Approve Bank Resolution with Citibank**

1.5 BANK RESOLUTION WITH MISSION FEDERAL CREDIT UNION

*This Resolution is necessary to acquire a CD directly through Mission Federal Credit Union*

**Recommendation: Approve Credit Union Resolution with Mission Federal Credit Union**

1.6 FINAL ACCEPTANCE FOR DISCOVERY STREET SEWER PROJECT

*The project was awarded to Utah Pacific Construction on June 17, 2009, for an amount of \$1,420,269. Changes Orders for the project resulted in a total addition of \$118,600. Utah Pacific has satisfactorily completed all work.*

**Recommendation: Accept Discovery Street Sewer Project, filing of a Notice of Completion, and authorization to release all retention funds to Utah Pacific Construction upon conclusion of the 30-day notice period, provided no claims are filed**

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

ACTION ITEMS

2.1 EXECUTIVE COMMITTEE 2010 ELECTION NOTICE FOR THE ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) JOINT POWERS INSURANCE AUTHORITY (JPIA) DIRECTORS, ALTERNATES, AND OTHERS

*The Joint Powers Authority will hold an Executive Committee election during the Board of Directors' meeting to be held on May 3, 2010.*

**Recommendation: Request Board Direction**

2.2 APPROVAL OF CONSTRUCTION AGREEMENT FOR SAN ELIJO HILLS PH. III-  
P.A. V1 UNIT 3 (LENNAR HOMES OF CALIFORNIA, INC.)

*The project is located on Festival Road which is located east of Wild Canyon Drive and north of San Elijo Road. The facilities being installed will provide water and sewer service to 32 single family dwelling units.*

**Recommendation: Approve Construction Agreement for San Elijo Hills PH. III- P.A. V1 Unit 3**

2.3 RESOLUTION OF SUPPORT REQUESTING FINANCIAL SUPPORT THROUGH THE SAN DIEGO COUNTY WATER AUTHORITY LOCAL RESOURCES PROGRAM FOR THE CARLSBAD EAWATER DESALINATION PROJECT

*The District has been working in conjunction with the nine desalination partners who have contracts with Poseidon in developing an application package for submittal to the San Diego County Water Authority requesting consideration for the subsidy available from the San Diego County Water Authority.*

**Recommendation: Approve Resolution supporting the application to the San Diego County Water Authority for the Local Resources Funding subsidy**

\*\*\*\*\*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

3.5 ACWA/REGION 10

3.6 DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

*- Director Shell submitted a written report on his attendance at the CASA Mid Year Conference on January 14-15, 2010.*

*- Director Poltl submitted a written report on his attendance at the Hoover Dam Water Tour on January 22-23, 2010.*

\*\*\*\*\*END OF REPORTS\*\*\*\*\*



OTHER BUSINESS

4.1 MEETINGS

**Special District and Local Government Institute (SDI)**  
March 4 - 5, 2010 – Hyatt Regency, Huntington Beach, CA

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

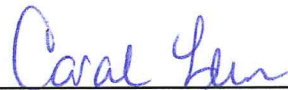
5.1 ADJOURNMENT

\*\*\*\*\*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. 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 3:00 p.m., Friday, January 29, 2010.



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Carol Lewis

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, FEBRUARY 3, 2010, AT 4:00 PM AT THE DISTRICT OFFICE,  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Ferguson called the Regular meeting to order at the hour of 4:00 p.m.

Director Poltl led the pledge of allegiance.

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

Staff Present: General Manager Lamb  
Legal Counsel Scott  
Director of Finance Scaglione  
Director of Human Resources Caudle  
Engineering Manager Gerdes  
Operations Manager Arrant  
Capital Facilities/Engineering Supervisor Gumpel  
Engineering Technician Gastar  
Capital Facilities Engineer Scholl  
Public Information Specialist Webb  
Executive Secretary Lewis

ADOPT AGENDA FOR THE REGULAR MEETING OF FEBRUARY 3, 2010

10-02-01 MOTION WAS MADE by Director Shell, seconded by Director Poltl, and carried unanimously, to adopt the agenda for the Regular Board Meeting of February 3, 2010.

ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

10-02-02 MOTION WAS MADE by Director Hannan, seconded by Director Gentry, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

A. Regular Board Meeting – January 20, 2010

1.2 Warrant List through February 3, 2010 - \$1,913,581.33

- 1.3 Bank Resolution with Unionbanc
- 1.4 Bank Resolution with Citibank
- 1.5 Bank Resolution with Mission Federal Credit Union
- 1.6 Final Acceptance for Discovery Street Sewer Project

ACTION ITEMS

EXECUTIVE COMMITTEE 2010 ELECTION NOTICE FOR THE ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) JOINT POWERS INSURANCE AUTHORITY (JPIA) DIRECTORS, ALTERNATES, AND OTHERS

General Manager Lamb stated that the District received notice from ACWA/JPIA that there will be an Executive Committee election during the JPIA's Board of Directors' meeting to be held on May 3, 2010 at the spring conference in Monterey, California. The election will fill two Executive Committee member positions, each for a three year term, and one Executive Committee member position for the remainder of its term (one year). The election will also fill the office of President for the remainder of its term (one year) and the office of the Vice President for a three year term.

Following brief discussion, Board consensus was to wait to see if any requests are received from nominees asking for concurrence in their nomination or until the ballot is received.

APPROVAL OF CONSTRUCTION AGREEMENT FOR SAN ELIJO HILLS PH. III-P.A. V1 UNIT 3 (LENNAR HOMES OF CALIFORNIA, INC.)

General Manager Lamb reported that the project known as San Elijo Hills (SEH) Phase III, P.A. V1 – Unit 3 is part of the SEH planning area V1. The project is located on Festival Road which is located east of Wild Canyon Drive and north of San Elijo Road. The facilities that are being installed will provide water and sewer service to 32 single family dwelling units. The project will construct approximately 859 linear feet of 8" waterline and 901 linear feet of 8" sewer line. All fees have been paid in accordance with District policy and the developer has provided the District with standard surety bonds to guarantee completion of the project.

The following bond amounts have been reviewed and approved by staff:

Labor and Materials	\$ 436,264.00
Faithful Performance	\$ 436,264.00

Staff recommended approval of the construction agreement.



10-02-03 MOTION WAS MADE by Director Gentry, seconded by Director Poltl, and carried unanimously, to approve the construction agreement for San Elijo Hills PH. III-P.A. V1 Unit 3 (Lennar Homes of California, Inc.)

RESOLUTION OF SUPPORT REQUESTING FINANCIAL SUPPORT THROUGH THE SAN DIEGO COUNTY WATER AUTHORITY LOCAL RESOURCES PROGRAM FOR THE CARLSBAD SEAWATER DESALINATION PROJECT

General Manager Lamb stated that the District entered into an agreement with Poseidon Resources LLC on September 5, 2007, for the purchase of 7,500 acre feet of desalinated water from the Carlsbad Seawater Desalination Project. *Section 3.1(b) Subsidies*, of the agreement requires the District to actively pursue, assist and obtain available subsidies from all sources for the Seawater Desalination Program. This includes potential funding from the San Diego County Water Authority LRP. He noted that the District has already pursued and obtained funding, up to \$250.00 per acre foot, from the Metropolitan Water District (MWD) for their Seawater Desalination Program.

General Manager Lamb reported that the District has been working in conjunction with the nine Desalination Partners who have contracts with Poseidon in developing an application package for submittal to the San Diego County Water Authority (SDCWA) requesting consideration for the subsidy available from SDCWA. The submittal package complies with the SDCWA requirements and identifies the maximum amount of the subsidy, estimated duration, ownership of the facilities, quantity of water and the methodology for the calculation of the subsidy available. The maximum subsidy available from SDCWA is \$200.00 per acre foot; however, this amount is not guaranteed and the actual subsidy can vary annually based upon the terms of the agreement.

General Manager Lamb noted the District is responsible for obtaining available subsidies and these subsidies are to be provided directly to Poseidon. The base price of the Carlsbad desalinated water will then be adjusted equitably to Vallecitos.

Following brief discussion, Staff recommended that the Board approve the Resolution supporting the application to the SDCWA for the Local Resources Funding subsidy.

10-02-04 MOTION WAS MADE by Director Hannan, seconded by Director Shell, and passed with the following roll call vote, to approve a resolution of support requesting financial support through the San Diego County Water Authority Local Resources Program for the Carlsbad Seawater Desalination Project:

AYES: Gentry, Hannan, Poltl, Shell, Ferguson

NOES:

ABSTAIN:

ABSENT:

## REPORTS

### GENERAL MANAGER

General Manager Lamb reported that the District received a very nice plaque from the San Marcos Chamber of Commerce for hosting their monthly Mixer. He noted that the event was very nice and well attended.

General Manager Lamb reported that Judge Wanger recently heard the case on the salmon run. Judge Wanger indicated he will be making a decision next week regarding modified pumping periods to accommodate the various endangered species.

### DISTRICT COUNSEL

Legal Counsel Scott reported that he and General Manager Lamb met with attorneys for the Costco expansion. He noted that it was very helpful to have General Manager Lamb's engineering background to address some of the issues being discussed.

### SAN DIEGO COUNTY WATER AUTHORITY

Director Ferguson reported that the Summary of Formal Board of Directors' meeting of January 28, 2010 will be included in the next Board meeting agenda packet.

### ENCINA WASTEWATER AUTHORITY

Director Hannan reported that Encina Wastewater Authority had their first meeting of the New Year and the President of the Board of Directors for 2010 is Allan Juliussen.

### ACWA REGION 10

Director Gentry reported that ACWA Regions 8, 9 & 10 will be having a Regional Implementation Workshop on February 10, 2010 in Irvine. The topic of discussion will be California's Legislative Water Package.

### LAFCO

Director Poltl stated that he received the agenda for the next LAFCO Advisory Committee meeting and one of the topics of discussion will be LAFCO water supply and reliability draft guidelines. Copies were distributed to the Board, Legal Counsel and Staff for input/comments.

### DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

President Ferguson noted that written reports from Directors were included in the agenda packet and distributed at the meeting.



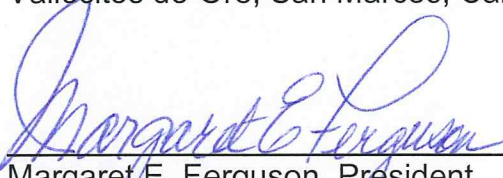
OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to discuss, President Ferguson adjourned the Regular Meeting of the Board of Directors at the hour of 4:15 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, February 17, 2010, at 4:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.



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

ATTEST:



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