

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY FEBRUARY 17, 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 GENTRY

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 17, 2010

PRESENTATION

Plant Operator, **Antonio “Tony” Martinez** received his Certificate of Competence for his Grade III Wastewater Treatment Plant Operator from the State of California State Water Resources Control Board.

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 – FEBRUARY 3, 2010

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

**Recommendation:        Approve Minutes**

1.2    WARRANT LIST THROUGH FEBRUARY 17, 2010 - \$1,456,644.52

**Recommendation:        Approve Warrant List**

1.3    FINANCIAL REPORTS

- A.    WATER METER COUNT – JANUARY 31, 2010
- B.    WATER PRODUCTION/SALES REPORT – 2009/2010
- C.    WATER REVENUE AND EXPENSE REPORT – JANUARY 31, 2010
- D.    SEWER REVENUE AND EXPENSE REPORT – JANUARY 31, 2010
- E.    APPROPRIATED FUND BALANCE ACTIVITY – JANUARY 31, 2010
- F.    INVESTMENT REPORT – JANUARY 2010

1.4    BANK RESOLUTION WITH CHASE BANK

*This Resolution is necessary to acquire a CD directly through Chase Bank.*

**Recommendation:        Approve Bank Resolution with Chase Bank**

1.5    FINAL ACCEPTANCE FOR LA COSTA RIDGE NEIGHBORHOOD 2.6  
(WESTERN PACIFIC HOUSING)

*Upon final acceptance of the required improvements, water and sewer service will be available to 53 single family homes within the subdivision.*

**Recommendation:        Accept La Costa Ridge Neighborhood 2.6**

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

ACTION ITEMS

2.1    NOMINATIONS FOR ASSOCIATION OF CALIFORNIA WATER AGENCIES  
(ACWA) REGION 10 LEADERSHIP

*The ACWA Region 10 Board is looking for members who are interested in leading the direction of ACWA Region 10 for the 2010-2011 term. The board is currently seeking candidates from San Diego County. At the time of posting this agenda the District has received no requests.*

**Recommendation:        Request Board Direction**

- 2.2 RESOLUTION CONCURRING IN THE NOMINATION OF MERLE ALSHIRE TO THE OFFICE OF VICE PRESIDENT OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES/JOINT POWERS INSURANCE AUTHORITY (ACWA/JPIA)

*The Valley Center Water District has requested this District's support in the nomination of Merle Alshire to the Office of Vice President of ACWA/JPIA.*

**Recommendation: Request Board Direction**

- 2.3 RESOLUTION CONCURRING IN THE NOMINATION OF CHUCK MUSE TO THE EXECUTIVE COMMITTEE OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES/JOINT POWERS INSURANCE AUTHORITY (ACWA/JPIA)

*The Helix Water District has requested this District's support in the nomination of Chuck Muse to the Executive Committee of ACWA/JPIA.*

**Recommendation: Request Board Direction**

- 2.4 RESOLUTION CONCURRING IN THE NOMINATION OF MELODY A. MCDONALD TO THE EXECUTIVE COMMITTEE OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES/JOINT POWERS INSURANCE AUTHORITY (ACWA/JPIA)

*The San Bernardino Valley Water Conservation District has requested this District's support in the nomination of Melody A. McDonald to the Executive Committee of ACWA/JPIA.*

**Recommendation: Request Board Direction**

- 2.5 RESOLUTION APPROVING THE INVESTMENT POLICY FOR CALENDAR YEAR 2010

*This is the annual review of the Investment Policy for calendar year 2010.*

**Recommendation: Approve Resolution for the Investment Policy for Calendar Year 2010**

- 2.6 RESOLUTION ADOPTING A POLICY FOR PAYMENT OF WATER AND SEWER CAPACITY FEES

*Currently, the District practice requires that all project fees, deposits, and bonds be received prior to Board approval of maps, construction agreements, and improvement plans. The proposed policy would change the way in which the District collects water and sewer capacity fees and outlines the procedures for this change.*



**Recommendation: Adopt a Resolution outlining a policy for the collection of water and sewer capacity fees.**

\*\*\*\*\*END OF ACTION ITEMS\*\*\*\*\*

REPORTS

3.1 GENERAL MANAGER

3.2 DISTRICT LEGAL COUNSEL

3.3 SAN DIEGO COUNTY WATER AUTHORITY  
*- Summary of Formal Board of Directors' Meeting on January 28, 2010*

3.4 ENCINA WASTEWATER AUTHORITY

3.5 ACWA/REGION 10

3.6 LAFCO

3.7 DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

*- Director Poltl submitted a written report on his attendance to the CSUSM Report to the Community meeting on February 4, 2010, and is on file.*

*- Director Shell submitted a written report on his attendance to the CSUSM Report to the Community meeting on February 4, 2010, and is on file.*

*- Director Hannan submitted a written report on her attendance to the San Marcos Chamber of Commerce Installation & Awards Luncheon on February 5, 2010, and is on file.*

*- Director Poltl submitted a written report on his attendance to the San Marcos Chamber of Commerce Installation & Awards Luncheon on February 5, 2010, and is on file.*

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

OTHER BUSINESS

4.1 MEETINGS

**Sustainable Water Management Conference & Exposition**

April 11 – 13, 2010 - Albuquerque Convention Center, Albuquerque, New Mexico

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

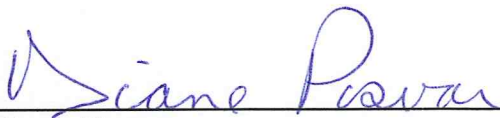
5.1 ADJOURNMENT

\*\*\*\*\*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, Diane Posvar, Administrative 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, February 12, 2010.

  
\_\_\_\_\_  
Diane Posvar

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, FEBRUARY 17, 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 Gentry 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  
Engineering Manager Gerdes  
Operations Manager Arrant  
Capital Facilities/Engineering Supervisor Gumpel  
Engineering Supervisor Brandstrom  
Human Resources Technician Weaver  
Public Information Specialist Webb  
Administrative Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF FEBRUARY 17, 2010

10-02-05 MOTION WAS MADE by Director Gentry, seconded by Director Poltl, and carried unanimously, to adopt the agenda for the Regular Board Meeting of February 17, 2010.

PRESENTATION

President Ferguson presented Antonio "Tony" Martinez with his Certificate of Competence for his Grade III Wastewater Treatment Plant Operator from the State of California State Water Resources Control Board.

ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

10-02-06 MOTION WAS MADE by Director Hannan, seconded by Director Shell, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes



- A. Regular Board Meeting – February 3, 2010
- 1.2 Warrant List through February 17, 2010 - \$1,456,644.52
- 1.3 Financial Reports
  - A. Water Meter Count – January 31, 2010
  - B. Water Production/Sales Report – 2009/2010
  - C. Water Revenue and Expense Report – January 31, 2010
  - D. Sewer Revenue and Expense Report – January 31, 2010
  - E. Appropriated Fund Balance Activity – January 31, 2010
  - F. Investment Report
- 1.4 Bank Resolution with Chase Bank
- 1.5 Final Acceptance for La Costa Ridge Neighborhood 2.6 (Western Pacific Housing)

ACTION ITEMS

NOMINATIONS FOR ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)  
REGION 10 LEADERSHIP

General Manager Lamb reported that the ACWA Region 10 Board is looking for members who are interested in leading the direction of ACWA Region 10 for the 2010/2011 term. ACWA Region 10 Board is currently seeking candidates from San Diego County. The District has received no requests at this time.

Following brief discussion, Board consensus was to continue this item to a future Board meeting to see if any requests are received from nominees asking for concurrence in their nomination.

RESOLUTION CONCURRING IN THE NOMINATION OF MERLE ALSHIRE TO THE  
OFFICE OF VICE PRESIDENT OF THE ASSOCIATION OF CALIFORNIA WATER  
AGENCIES/JOINT POWERS INSURANCE AUTHORITY (ACWA/JPIA)

General Manager Lamb reported that the Valley Center Water District has requested this District's support in the nomination of Merle Alshire to the Office of Vice President of ACWA/JPIA.

Following brief discussion, Board consensus was to continue this item to a future Board meeting.

RESOLUTION CONCURRING IN THE NOMINATION OF CHUCK MUSE TO THE  
EXECUTIVE COMMITTEE OF THE ASSOCIATION OF CALIFORNIA WATER  
AGENCIES/JOINT POWERS INSURANCE AUTHORITY (ACWA/JPIA)

General Manager Lamb reported that the Helix Water District has requested this District's support in the nomination of Chuck Muse to the Executive Committee of ACWA/JPIA.

Following brief discussion, Board consensus was to continue this item to a future Board meeting.

RESOLUTION CONCURRING IN THE NOMINATION OF MELODY A. MCDONALD TO THE EXECUTIVE COMMITTEE OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES/JOINT POWERS INSURANCE AUTHORITY

General Manager Lamb reported that the San Bernardino Valley Water Conservation District has requested this District's support in the nomination of Melody A. McDonald to the Executive Committee of ACWA/JPIA.

Following brief discussion, Board consensus was to continue this item to a future Board meeting.

RESOLUTION APPROVING THE INVESTMENT POLICY FOR CALENDAR YEAR 2010

General Manager Lamb reported that the Resolution is modified annually based on any new rules set forth and sets the limits for investments.

During general discussion, concern was expressed with 60% of funds being dedicated to LAIF. Staff was requested to look into adjusting the percentage of funds going into LAIF.

General Manager Lamb requested that the Resolution be approved as presented with the understanding that staff will report back to the Board at a future meeting any options for modifying this Resolution with respect to the percentage of funds dedicated to LAIF.

10-02-07 MOTION WAS MADE by Director Shell, seconded by Director Gentry, and carried unanimously, to adopt a Resolution approving the Investment Policy as presented.

Resolution #1341 – the roll call vote was as follows:

AYES: GENTRY, HANNAN, POLTL, SHELL, FERGUSON

NOES:

ABSTAIN:

ABSENT:

RESOLUTION ADOPTING A POLICY FOR PAYMENT OF WATER AND SEWER CAPACITY FEES



General Manager Lamb reported that the proposed policy would change when the District collects water and sewer capacity fees and outlines the procedures for this change.

Staff recommended the Board approve the Resolution modifying the collection of water and sewer capacity fees.

10-02-08 MOTION WAS MADE by Director Poltl, seconded by Director Shell, and carried unanimously, to adopt a Resolution modifying the collection of water and sewer capacity fees.

Resolution #1343 – the roll call vote was as follows:

AYES: GENTRY, HANNAN, POLTL, SHELL, FERGUSON  
NOES:  
ABSTAIN:  
ABSENT:

## REPORTS

### GENERAL MANAGER

General Manager Lamb reported that the Merriam Mountain project received a 2 – 2 vote by the San Diego County Board of Supervisors. The project will be back before the Board of Supervisors on March 25, 2010, for vote. The District has been receiving correspondence and questions about water availability and availability of facilities for the project. Staff received a letter from the County of San Diego requesting clarification on specific issues from the District as a result of the Board of Supervisors' Hearing. Staff will send a short letter back to the County Planning Department responding to past project documentation and the environmental documents.

General Manager Lamb reported that the City of San Marcos' State of the City Address will be held on Tuesday, February 23, 7:30 a.m., at City Hall.

The hearing on Lake San Marcos was held at the Regional Water Quality Control Board (RWQCB) on February 20, 2010. Staff's presentation was very well received by the Board. The RWQCB asked District staff to continue moving forward. Staff will present an update to the RWQCB in approximately three months. A copy of the presentation was provided to each Board member.

General Manager Lamb reported that the hearing on the Carlsbad desalination plant was taking place at the Coastal Commission at the same time as the RWQCB hearing. The vote on the desalination plant was 8 – 4 to deny the relocation request. This is the second re-hearing at the Coastal Commission.

General Manager Lamb provided an update on the drought response in acre feet. M&I year to date (Jan. 31, 2009) demand is 1,652 acre feet, or 14.8% less than the M&I

allotment. IAWP year to date demand is 27 acre feet, or 54.4%, less than the IAWP allotment. SAWR year to date demand is 121 acre feet, or 26.8%, less than the SAWR allotment. January production in acre feet was 922. Meters in service in January were 20,392. January rainfall in inches was 5.20.

General Manager Lamb called for a Public Awareness/Personnel/Policy Committee meeting to be scheduled to discuss the annual Employee Recognition Event. The meeting was scheduled for February 24 at 3:00 p.m.

#### DISTRICT COUNSEL

Legal Counsel Scott provided a brief follow-up to General Manager Lamb's report on the Merriam Mountain project.

#### SAN DIEGO COUNTY WATER AUTHORITY

Director Ferguson reported that the Summary of Formal Board of Directors' meeting of January 28, 2010 was included in the Board meeting agenda packet. The next Board meeting will be held on February 25, 2010.

#### ENCINA WASTEWATER AUTHORITY

Director Hannan reported that the next Board meeting will be held on February 24, 2010.

Director Gentry reported that the Capital Improvement Committee met this morning.

#### ACWA REGION 10

Director Gentry submitted a written report on the Regions 8, 9 & 10 Regional Implementation Workshop held on February 10, 2010, in Irvine.

#### LAFCO

Director Poltl reported that the next Advisory Committee meeting will be held on February 19, 2010.

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

President Ferguson noted that written reports from Directors were included in the agenda packet as well as distributed at the meeting. The reports are on file.

President Ferguson provided an oral report on the San Marcos Chamber Installation and Awards Luncheon held on February 5, 2010. Vallecitos Water District was one of three nominees for the Large Business of the Year category. The District did not receive this award; however, the District was presented with a Certificate in Recognition of Vallecitos Water District's nomination of Large Business of the Year.

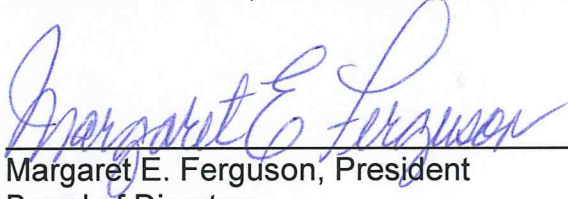
OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to discuss, President Ferguson adjourned the Regular Meeting of the Board of Directors at the hour of 4:27 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, March 3, 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