

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, JUNE 2, 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 – GENERAL MANAGER LAMB

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 JUNE 2, 2010

INTRODUCTION

Human Resources Technician Weaver will introduce new employee, **Meagan Genovese**, Office Assistant II for the Operations & Maintenance Department.

PRESENTATIONS

Water Systems Operator I, **Richard Arballo**, received his certificate for Water Distribution Operator Grade D5 from the State of California Department of Public Health.

Systems Collection Worker I, **Alex Stanko**, received his Certificate of Competence as a Grade II in Collection System Maintenance from the California Water Environment Association.

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 – MAY 19, 2010

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

- 1.2 WARRANT LIST THROUGH JUNE 2, 2010 - \$4,730,502.88

Recommendation: Approve Warrant List

- 1.3 FINAL ACCEPTANCE OF AUTUMN TERRACE (AUTUMN TERRACE DEVELOPMENT PARTNERS, LP)

The project is located on the south side of Autumn Drive between Chinaberry Lane and Pico Avenue, and has constructed Lowery Lane (Tiger Way) from San Marcos Boulevard to Autumn Drive.

Recommendation: Acceptance of Autumn Terrace

- 1.4 FINAL ACCEPTANCE OF SAN MARCOS BOULEVARD SEWER IMPROVEMENTS

The project is located on San Marcos Boulevard between Chinaberry Lane and Travelers Way.

Recommendation: Acceptance of San Marcos Boulevard sewer improvements

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

ACTION ITEMS

- 2.1 ADOPTION OF RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT APPROVING ENCINA WASTEWATER AUTHORITY'S FISCAL YEAR 2011 OPERATING AND CAPITAL IMPROVEMENT BUDGET

The Encina Wastewater Authority Fiscal Year 2011 recommended Operating and Capital Budget.

Recommendation: Adopt Resolution approving the Fiscal Year 2011 recommended Operating and Capital Improvement Budget

2.2 RECOMMENDED VALLECITOS WATER DISTRICT BUDGET FOR FISCAL YEAR 2010/2011

The Board Committee has reviewed and, together with staff, recommended that the Vallecitos Water District Fiscal Year 2010/2011 Budget be presented for full Board review and approval.

Recommendation: Approve Fiscal Year 2010/2011 Vallecitos Water District Budget

2.3 LAKE SAN MARCOS PARTICIPATION AGREEMENT

The Participation Agreement is the culmination of numerous meetings and drafts which were negotiated with the interested parties.

Recommendation: Board Direction

2.4 VALLECITOS WATER DISTRICT BOARD COMMITTEE APPOINTEES

Director Ferguson has recently announced her resignation from her appointment as the District's representative to the San Diego County Water Authority (SDCWA). Director Ferguson's current appointment to the SDCWA expires March 13, 2016.

Recommendation: Approve recommended Committee appointments

*****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 LAFCO

3.7 DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS
ATTENDED

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

OTHER BUSINESS

4.1 MEETINGS

WateReuse Association 25th Annual Symposium
September 12 - 15, 2010 – Washington, D.C.

CSDA Annual Conference
September 20 - 23, 2010 – Newport Beach, CA

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

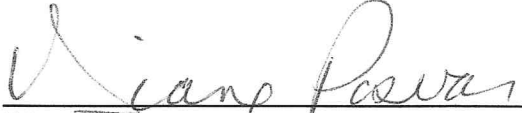
5.1 ADJOURNMENT

*****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. 264 at least 48 hours prior to the meeting.

AFFIDAVIT OF POSTING

I, Diane Posvar, 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, May 28, 2010.



Diane Posvar

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, JUNE 2, 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.

General Manager Lamb led the pledge of allegiance.

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

Staff Present: General Manager Lamb
Legal Counsel Scott
Finance Manager Scaglione
Administrative Services Manager Caudle
District Engineer Gerdes
Operations & Maintenance Manager Arrant
Public Information/Conservation Supervisor Urabe
Public Information Specialist Webb
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF JUNE 2, 2010

10-06-01 MOTION WAS MADE by Director Hannan, seconded by Director Poltl, and carried unanimously, to adopt the agenda for the Regular Board Meeting of June 2, 2010.

INTRODUCTION

Human Resources Technician Weaver introduced new employee, Meagan Genovese, Office Assistant II for the Operations & Maintenance Department.

PRESENTATIONS

President Ferguson presented Richard Arballo, Water Systems Operator I, with his certificate for Water Distribution Operator Grade D5 from the State of California Department of Public Health.

President Ferguson presented Alex Stanko, Systems Collection Worker I, with his Certificate of Competence as a Grade II in Collection System Maintenance from the California Water Environment Association.

ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

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

1.1 Approval of Minutes

A. Regular Board Meeting – May 19, 2010

1.2 Warrant List through June 2, 2010 - \$4,730,502.88

1.3 Final Acceptance of Autumn Terrace (Autumn Terrace Development Partners)

1.4 Final Acceptance of San Marcos Boulevard Sewer Improvements

ACTION ITEMS

ADOPTION OF RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT APPROVING ENCINA WASTEWATER AUTHORITY'S FISCAL YEAR 2011 OPERATING AND CAPITAL IMPROVEMENT BUDGET

General Manager Lamb stated that as a member of the Encina Wastewater Authority (EWA), the District is obligated to adopt EWA's budget on an annual basis. EWA's budget is then included into the District's budget.

Staff recommended the Board adopt the Resolution approving the Fiscal Year 2011 Operating and Capital Improvement Budget.

10-06-03 MOTION WAS MADE by Director Gentry, seconded by Director Poltl, and carried unanimously, to adopt a Resolution of the Board of Directors of the Vallecitos Water District approving Encina Wastewater Authority's Fiscal Year 2011 Operating and Capital Improvement Budget.

Resolution #1348 – the roll call vote was as follows:

AYES: GENTRY, HANNAN, POLTL, SHELL, FERGUSON

NOES:

ABSTAIN:

ABSENT:

RECOMMENDED VALLECITOS WATER DISTRICT BUDGET FOR FISCAL YEAR
2010/2011

General Manager Lamb stated that the recommended Fiscal Year budget totals \$95,877,000. This is composed of \$40,843,000 for operational expenses and a commitment of \$55,034,000 for capital projects. In addition, \$5,255,000 from Operations is being set aside for future capital replacement.

Finance Manager Scaglione stated that the budget presentation has not changed since it was presented at the May 10, 2010, Board Committee meeting. However, there was one addition to the presentation of which he provided a review. The addition addressed why rates continue to rise when cost is held steady.

Finance Manager Scaglione also reviewed a Frequently Asked Questions sheet which has been prepared for staff's use and to be placed on the District's website.

10-06-04 MOTION WAS MADE by Director Shell, seconded by Director Gentry, and carried unanimously, to adopt the recommended Vallecitos Water District Budget for Fiscal Year 2010/2011.

LAKE SAN MARCOS PARTICIPATION AGREEMENT

General Manager Lamb stated that the Participation Agreement was reviewed and discussed at the April 12, 2010, Board Committee meeting with a recommendation to present to the Board at a regular Board meeting for consideration. Two issues needed to be resolved or clarified prior to staff presenting the PA to the Board. The first issue involved the California Cleanup and Abatement Account (CAA) and how funds from this account could be used for the cleanup and abatement work. The second issue involved the need for signatories of the PA to coordinate with the other interested parties who are unwilling to sign the PA because of their concerns over the unknown scope of the work and potential financial exposure.

An application for CAA funds in the amount of approximately \$990,000 has been submitted through the City of San Marcos on behalf of all parties. This is on the Consent Calendar for the Regional Board's meeting on June 7, 2010. If approved by the Regional Board, the application will then proceed to the State Board in August. The Executive Officer of the San Diego Regional Board has submitted a letter of support to the State Board of the CAA funds.

General Manager Lamb stated that at a meeting held today, Regional Board Executive Director Mr. Gibson acknowledged taking a leadership role and is willing to issue a letter to responsible parties encouraging them to sign the PA otherwise enforcement action could be pursued.

General Manager Lamb recommended continuing this item indefinitely and until the PA is potentially modified to include Regional Board signature.

Legal Counsel Dodson stated that a variety of terms and conditions were also discussed at today's meeting that would be applied between the working group and the Regional Board. Counsel, the Executive Director, and other staff were very supportive towards getting an agreement in place. Legal Counsel Dodson concurred with General Manager Lamb's recommendation that, pending the drafting and negotiation of an agreement with the Regional Board which would take the place of an amendment or an addendum to the existing PA, the matter should be tabled. However, in lieu of signing the PA at this point, he suggested signing a letter of commitment which would basically say "to the extent of our reasonable involvement of the measure, we are committed to participating in the process to accomplish the diagnosis, abatement planning, and ultimately the abatement of nutrient water quality conditions in the lake." General discussion followed.

10-06-05 MOTION WAS MADE by Director Gentry, seconded by Director Shell, and carried unanimously, to issue a letter of commitment to the Regional Board.

VALLECITOS WATER DISTRICT BOARD COMMITTEE APPOINTEES

General Manager Lamb stated that Director Ferguson has recently announced her resignation from her position as District's representative to the San Diego County Water Authority (SDCWA). Director Ferguson has recommended that Director Hannan be appointed the District's representative to the SDCWA which will expire March 13, 2016. Director Hannan will vacate her position as the District's representative to the Encina Wastewater Authority (EWA) which expires December 1, 2010. Director Ferguson has recommended that Director Poltl be appointed the District's representative to the Encina Wastewater Authority, effective immediately. The SDCWA appointment of Director Hannan would be effective following the June 10 SDCWA Special Board meeting.

10-06-06 MOTION WAS MADE by Director Poltl, seconded by Director Hannan, and carried unanimously, to adopt a resolution appointing Director Hannan the SDCWA District representative and to adopt a resolution appointing Director Poltl the EWA District representative.

Resolutions #1349 and #1350 – the roll call vote was as follows:

AYES: GENTRY, HANNAN, POLTL, SHELL, FERGUSON

NOES:

ABSTAIN:

ABSENT:

REPORTS

GENERAL MANAGER

General Manager Lamb stated that he received a notice from ACWA indicating that the District is receiving approximately \$25,000 back in premiums on dental and vision benefits.

General Manager Lamb stated that Metropolitan Water District issued a press release today indicating they are continuing funding incentives/rebates towards low flow toilets, washer and dryers, etc. The funds (\$19 million) are available until they run out.

DISTRICT COUNSEL

Legal Counsel Scott reported that staff met last Friday and will meet again this Friday with the desal partners on the Poseidon Agreement. The group is moving forward to get the agreement in line to bring forward to the Board.

SAN DIEGO COUNTY WATER AUTHORITY

Director Ferguson noted that a copy of the May 27, 2010, Summary of Formal Board of Directors' meeting was provided.

ENCINA WASTEWATER AUTHORITY

Director Gentry reported that an update was provided on the emergency outfall project and the EWA budget was approved.

ACWA REGION 10

None.

LAFCO

Director Poltl stated that the meeting was cancelled for this month.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

President Ferguson noted that written reports were provided electronically. The reports are on file.

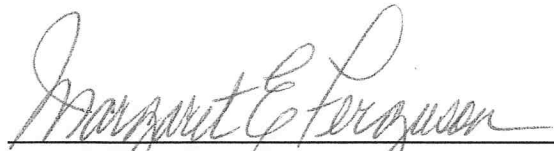
OTHER BUSINESS

None.

ADJOURNMENT

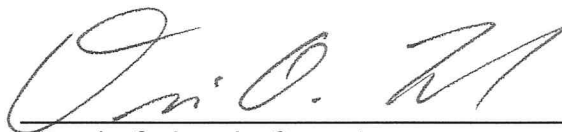
There being no further business to discuss, President Ferguson adjourned the Regular Meeting of the Board of Directors at the hour of 5:11 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, June 16, 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