

AGENDA FOR A COMMITTEE MEETING OF THE WHOLE  
SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
MONDAY, NOVEMBER 8, 2010, AT 1:00 P.M.  
AT THE DISTRICT OFFICE  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT FERGUSON

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. LOCAL LIMITS PRESENTATION
2. DEVELOPMENT IMPACT STUDIES/FEE PRESENTATION
3. SBX7 (20/20 REDUCTION) PRESENTATION
4. URBAN WATER MANAGEMENT PLAN UPDATE (pp. 1-2)
5. DRAFT PROGRAM ENVIRONMENTAL IMPACT REPORT FOR THE 2008 WATER, WASTEWATER AND RECYCLED WATER MASTER PLAN (pp. 3-4)
6. RECOMMENDATION FOR PERMANENT OFFSITE WATER SERVICE FOR PROPOSED PARCEL 2 APN: 178-180-34 (RIMSA) (pp. 5-10)
7. AWARD OF CONSTRUCTION CONTRACT FOR LOS VALLECITOS AND BINGHAM WATERLINE REPLACEMENT (pp. 11-14)
8. AWARD OF CONSTRUCTION CONTRACT FOR SEWER REPAIRS ON PHEASANT COURT AND CARDINAL COURT (pp. 15-18)

\*\*\*\*\*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. 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 12:00 p.m., Thursday, November 4, 2010.

  
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Diane Posvar

MINUTES OF A COMMITTEE MEETING OF THE WHOLE  
SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
MONDAY, NOVEMBER 8, 2010, AT 1:00 PM AT THE DISTRICT OFFICE,  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Ferguson called the Committee meeting to order at the hour of 1:00 p.m.

Present: Director Ferguson  
Director Gentry  
Director Poltl  
Director Shell

Absent: Director Hannan

Staff Present: General Manager Lamb  
Legal Counsel Scott  
Finance Manager Scaglione  
Administrative Services Manager Caudle  
District Engineer Gerdes  
Operations & Maintenance Manager Arrant  
Principle Engineer Gumpel  
Capital Facilities Engineer Scholl  
Development Services Supervisor Brandstrom  
Public Information/Conservation Supervisor Urabe  
Executive Secretary Posvar

ORAL COMMUNICATIONS

None.

COMMITTEE ITEMS

LOCAL LIMITS PRESENTATION

General Manager Lamb introduced Ms. Debbie Biggs from Encina Wastewater Authority and stated that she would be available to answer any questions. General Manager Lamb facilitated a PowerPoint presentation.

General Manager Lamb stated that the Local Limits Study is required by pretreatment regulations, is specific to each publicly owned treatment work (POTW), and must be re-evaluated every five years or as necessary due to changes in operations. The purpose of the Local Limits is to enable Meadowlark Wastewater Reclamation Facility to comply with federal, state and local regulation. More specifically, to prevent introduction of pollutants that will interfere with plant operation; prevent pollutant pass-through in

concentration that could violate effluent discharge and/or reclamation limits; prevent excessive build-up of pollutants in the POTW biosolids that could limit beneficial biosolid use or disposal alternative; and, protect worker safety in the collection, treatment and disposal system.

General Manager Lamb discussed the development process, historical approach, MWRf effluent water quality, metals, other pollutants of concern, conventional pollutants, and the three major dischargers (Hollandia Dairy, Jacques Gourmet, MacDermid Printing Solution).

General discussion included current flows into MRF, proposed changes to discharge requirements, and recommendation that the three major dischargers' permits be grandfathered in at the current rate.

General Manager Lamb stated that the report, which presents the proposal, has been provided to the Regional Water Quality Control Board. The VWD/Encina Ordinance will need to be updated and will be presented to the Board for consideration and approval. Any other permits will need to be modified to incorporate the new standards and all future dischargers would be required to comply with the proposed standards.

General Manager Lamb stated that this item will be presented at a future Board meeting for consideration and approval.

#### DEVELOPMENT IMPACT STUDIES/FEE PRESENTATION

Principle Engineer Gumpel facilitated the capital facility impact mitigation fee presentation. He provided a summary of the process to date as follows:

- Ordinance No. 164 adopted and rescinded – started the Technical Workshop process
- Technical Workshop No. 1 focused on 2002 and 2008 water and sewer duty factors
- Technical Workshop No. 2 identified Capital Facility Fee calculation and compared theoretical calculations from 2002 Master Plan and 2008 Master Plan
- Technical Workshop No. 3 identified how and why impact fees were generated and showed options for applying fees for budgeting
- Technical Workshop No. 4 showed specific project level capital and impact fee costs based on different options with 2002 and 2008 Master Plan numbers.

Presented Impact to the District due to Density Increase:

- Incremental increase in water use and sewer flows are not included in the CIP and Capital Facility Fee model

- Prepared Draft Capital Facility Impact Fee Study with PBS&J rate specialist
- Discussed what's being evaluated in the Capital Facility Impact Fee Study – additional water storage required to accommodate increased density; additional sewer treatment for solids and liquids and ocean disposal at Encina; Parallel Outfall sizing required to accommodate increased density
- Water storage calculation based on 2002 Master Plan design criteria for storage – cost based on 2002 Master Plan and recent storage projects adjusted per ENR – additional storage has additional cost to the District directly due to density increase
- Wastewater Treatment – three main components evaluated: liquids, solids, and ocean disposal – liquids based on Encina Phase 4 construction cost for liquids only and adjusted per the ENR; solids based on Encina Phase 4 and 5 construction cost for solid only and adjusted per ENR; ocean disposal based on Encina Phase 4 construction cost for ocean outfall (not included in project specific water and wastewater studies at this time); building/expanding Encina will have additional cost to the District due to density increase
- Land Outfall – the District would need to build wet weather storage based on the 2002 Master Plan but cannot due to density increase – based on the IEC study, new outfall estimated at \$28.1 million while the wet weather storage is estimated at \$6.1 million; increase of \$22 million due to incremental impacts of proposed density increases

Presented costs of impacts:

- Water storage – cost for a specific project is based on the size of reservoir and the Master Plan design criteria for storage; 2002 and 2008 Master Plan design criteria remain the same; density increase cost is collect and assumed to be used for a larger reservoir; water storage impact fee: \$1.28/gallon
- Sewer treatment – treatment expansion costs at Encina for liquids, solids, and ocean disposal: Encina Phase IV expansion total cost of \$171 million - \$34 million for District's share (in 2004 dollars); Encina Phase V expansion total cost of \$56.3 million - \$16.7 million for District's share; a combined cost for treatment using both expansions was used in the PBS&J model – costs were brought forward using the ENR index for inflation – total District costs for the different treatments were divided by the expansion in MGD to provide a unit cost
- Treatment expansion cost in 2010 dollars – combined costs for Phase IV and Phase V: Solids - \$12.52 per gallon; Liquids - \$10.72 per gallon; Ocean Disposal - \$3.33 per gallon
- Outfall – three methods were evaluated: Method 1 – cost of new outfall that would allow operational flexibility of the wet weather storage (total density increased flow is 1.8 MGD); Method 2 – District builds wet weather storage – smaller outfall to convey Development's wet weather flow to Encina (total density increase flow is 1.8 MGD); Method 3 (in process) – District currently has 12.1

MGD capacity in outfall – District and Development split new outfall by flow percentage (District capacity requirement is 0.95 MGD; total density increased flow is 1.8 MGD); costs were brought forward using the ENR index for inflation

Presented Impact fee study and development options:

- Development can build necessary facilities for water storage, wastewater treatment, and wastewater conveyance for its additional impacts
- Cost estimates associated with the impacts are an opportunity for development to mitigate its impacts on facilities to the District. Payment of impact fees provides an alternative method to mitigate impacts – Capital Facility Impact fees collected must be separated from normal capacity fees and associated with the specific projects; all fees collected would effectively reduce future debt service on those specific projects; Capital Facility Impact fee study must be reevaluated after each Master Plan and adjusted if necessary to reflect most current cost and project description/costs
- Base Option – impacts to the District paid for or constructed by development plus normal water and sewer capacity fees for entire development
- Spread Option – all impact costs to be spread out to all existing and future development with the District building all the future facilities
- Option 1 – consider development additional edu(s) – all impacts paid for, or constructed by development
- Option 2 – all impacts paid for, or constructed by development

Presented schedule of process into 2011.

This item was presented for information only.

#### SBX7 (20/20 REDUCTION)/URBAN MANAGEMENT PRESENTATION/UPDATE

Finance Manager Scaglione stated that the Urban Water Management Plan (UWMP) Act of the California Water Code requires that every agency supplying over 3,000 acre feet of urban water a year, or 3,000 connections or more, must prepare an UWMP every five years. The plan will address the future water demands, future water supplies and how the gap is filled. New to the 2010 plan is the SBx7\_7, 20/20 compliance. The California Water Code does provide for the District to rely on the San Diego County Water Authority's (SDCWA) projections, their planning, and incorporation of their plan into the District's plan.

Finance Manager Scaglione presented the following in presentation:

- SDCWA's 2010 UWMP draft outline
- VWD's 2010 UWMP Table of Contents

- SDCWA's Long-Range demand forecast and 2010 UWMP tentative schedule
- VWD's tentative 2010 UWMP schedule
- SBx7\_7 – is part of the water package signed by the Governor on November 10, 2009; amends Division 6 of the California Water Code; Department of Water Resources (DWR) will provide Demand Management Measures; encourages waste prevention and promotes efficiency; requires 10% per capita reduction by 2015; requires 20% per capita reduction by 2020; will implement efficient water management practices for agricultural users; those agencies who do not meet 2015 and 2020 requirements will lose eligibility for state grants and loans

Finance Manager Scaglione reviewed the DWR's guidelines and the four methods available to set targets (DWR breaks down water use as gallons per day per capita):

- 95% of 2020 hydrologic region target (Region 4:  $0.95 \times 149 = 141.6$  gallons per day per capita)
- 80% of baseline per capita use – calculated over a 12 month period, calendar or fiscal year
- 2015 target is the midpoint between the baseline (10 or 15 year average) and 2020 target; 2020 target is the lessor of a 10 or 15 year average or a 5 year average multiplied by 95%
- Water budget method target – 55 GPD for residential use; landscape area allowance; commercial, industrial and institutional uses
- Method 4 will be determined by DWR by December 2010

One of the four methods must be selected with an option to change methods one time. If the method is changed, this would need to be published in the 2015 UWMP.

Finance Manager Scaglione reviewed the regional options as follows:

- A region can be a wholesaler service area; IRWM planning area; hydrologic region; two or more agencies in a hydrologic region; agencies with contiguous service areas
- Retailers may opt in or opt out of one regional compliance effort
- Opt in agencies may comply a region or individually
- Regional target is a roll up of retail agency targets

The calculated 2020 target using the preferred method of 80% of the rolling average per capita is 159.6 Gallons Per Capita Per Day (GPCPD). The District is in compliance already with the 20% x 2020 mandate with a GPCPD in fiscal year 09/10 of 151.4.

This shows the importance of continuing outreach on conservation and changing the way our customers use their water.

This item was presented for information only.

DRAFT PROGRAM ENVIRONMENTAL IMPACT REPORT FOR THE 2008 WATER, WASTEWATER AND RECYCLED WATER MASTER PLAN

District Engineer Gerdes stated that on April 16, 2008, the Board awarded an engineering services contract to PBS&J for preparation of the 2008 Water, Wastewater and Recycled Water Master Plan and the Programmatic Environmental Impact Report (PEIR). Last July the 45-day public review period for the PEIR's Notice of Preparation was initiated. Comments were received from 12 interested parties with specific concerns that were requested be addressed in the PEIR. The Master Plan document has been through the final review by staff; the consultant is in the process of making the final changes; the Draft PEIR should be completed by the end of the month.

Staff requested the Board Committee's recommendation to submit this item to the full Board to authorize initiation of the 45-day public review period for the Draft PEIR for the 2008 Water, Wastewater and Recycled Water Master Plan.

The Board Committee recommended this item be submitted to the full Board for consideration.

RECOMMENDATION FOR PERMANENT OFFSITE WATER SERVICE FOR PROPOSED PARCEL 2 APN: 178-180-34 (RIMSA)

District Engineer Gerdes stated that the property owner is requesting a permanent offsite water service. The existing residence currently receives water service from the District through an existing 1-1/2" meter located on Camino Calafia. The existing residence is located on the proposed Parcel 2. Upon approval of the proposed lot-split that is currently being processed with the County of San Diego, Parcel 1 will have frontage along the existing water main but Parcel 2 will not have frontage along a District water main.

There are no properties located to the east which will require service in the future. Therefore, it is not feasible to extend District water facilities to the east across the frontage of Parcel 2. The proposed lot-split created a situation that meets the intent of the permanent offsite water service and it appears to be the best solution to maintain water service to the existing residence on Parcel 2.

Staff requested the Board Committee's recommendation to submit this item to the full Board for consideration and approval of a permanent offsite water service with conditions.

The Board Committee recommended this item be submitted to the full Board for



consideration.

AWARD OF CONSTRUCTION CONTRACT FOR LOS VALLECITOS AND BINGHAM WATER LINE REPLACEMENT

District Engineer Gerdes stated that this project will relocate approximately 200 lineal feet of 10-inch diameter waterline from underneath a double box culvert on the north side of Los Vallecitos Boulevard east of Bingham Drive. A portion of the pipeline was temporarily repaired underneath the double box culvert. It was found that the entire pipe under the culvert has seriously deteriorated.

District staff received bids from four contractors ranging from \$86,063 to \$175,186. Staff and counsel completed the evaluation of qualifications and determined that TC Construction was the lowest responsive, responsible bidder. This project was budgeted as an operations and maintenance budget at \$65,000 1½ years ago. With construction, contingency, design and other services added in, the total estimated cost is \$118,663 which results in a budget shortfall of \$54,000. Brief discussion followed.

Staff requested that the Board Committee recommend this item be submitted to the full Board to approve a budget increase of \$54,000 and award of a construction contract to TC Construction in the amount of \$86,063, subject to the provisions of the contract, including bonding and insurance requirements.

The Board Committee recommended that this item be submitted to the full Board for consideration.

AWARD OF CONSTRUCTION CONTRACT FOR SEWER REPAIRS ON PHEASANT COURT AND CARDINAL COURT

District Engineer Gerdes stated that this project will replace approximately 471 lineal feet of sewer lines that have sagged and have standing water in the pipes which affects flow and restricts our crew's ability to perform line cleaning.

District staff received bids from four contractors ranging from \$96,160 to \$235,268. Staff and counsel completed the evaluation of qualifications and determined that Cass Construction was the lowest responsive, responsible bidder.

District staff performed in house design and will provide inspection and construction management services. This project was budgeted at \$250,000. With construction, contingency, design, and other services, the total estimated cost is \$126,760, which is under budget by \$123,000.

Staff requested that the Board Committee recommend this item be submitted to the full

Board to award a construction contract to Cass Construction in the amount of \$96,160, subject to provisions to the contract, including bonding and insurance requirements.

The Board Committee recommended that this item be submitted to the full Board for consideration.


OTHER BUSINESS

None.

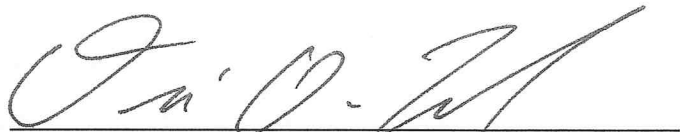
ADJOURNMENT

There being no further business to discuss, President Ferguson adjourned the Board Committee meeting at the hour of 2:35 p.m.

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