

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, APRIL 5, 2017, AT 5:00 P.M.
AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT ELITHARP

PLEDGE OF ALLEGIANCE

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 APRIL 5, 2017

PUBLIC COMMENT

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. Public comments are limited to three minutes. A Request to Speak form is required to be submitted to the Executive Secretary prior to the start of the meeting, if possible. Public comment should start by stating name, address and topic. The Board is not permitted during this time to enter into a dialogue with the speaker.

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 (pp. 5-17)

- A. BOARD WORKSHOP MEETING – FEBRUARY 13, 2017
- B. REGULAR BOARD MEETING – MARCH 15, 2017
- C. FINANCE/INVESTMENT COMMITTEE MEETING – MARCH 27, 2017

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

1.2 WARRANT LIST THROUGH APRIL 5, 2017 – \$3,772,609.99 (pp. 18-22)

Recommendation: Approve Warrant List

- 1.3 APPROVAL OF TEMPORARY OFF-SITE WATER SERVICE AGREEMENT FOR JOUBRAN RESIDENCE, APN: 228-030-47 (SUE JOUBRAN) (pp. 23-26)

The property is located at 1516 Calavo Drive.

Recommendation: Approve Temporary Off-Site Water Agreement with Conditions

- 1.4 FINAL ACCEPTANCE OF WATER AND SEWER IMPROVEMENTS FOR BLOCK "F" – ADAPTIVE RE-USE, APN: 220-200-53 (URBAN VILLAGES SAN MARCOS, LLC) (pp. 27-29)

The installation of water and sewer facilities has been completed.

Recommendation: 1) Accept Project Improvements; 2) Approve Filing of a Notice of Completion

- 1.5 APPROVAL OF CONSTRUCTION AGREEMENT FOR RANCHO CORONADO CRAVEN ROAD SEWER REPLACEMENT (BROOKFIELD RANCHO CORONADO, LLC) (pp. 30-32)

The project is located along Craven Road south of Discovery Street and west of South Twin Oaks Valley Road.

Recommendation: Approve Construction Agreement

- 1.6 CONSTRUCTION CONTRACT AWARD OF LIFT STATION NO. 1 WET WELL REPAIRS (pp. 33-36)

The room above the Lift Station No. 1 wet well room is in need of repairs due to the corrosion from the concentration of hydrogen sulfide gases.

Recommendation: Award Construction Contract

- 1.7 AMENDMENT TO THE GENERAL MANAGER'S EMPLOYMENT AGREEMENT (pp. 37-38)

The General Manager and the Vallecitos Water District entered into an employment agreement on October 14, 2016.

Recommendation: Approve amendment to the General Manager's Employment Agreement

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

ACTION ITEMS

- 2.1 PUMP ZONE CHARGES UPDATE AND ALTERNATIVES (pp. 39-48)

Discussion of pump zone charges alternatives.

Recommendation: Request Board direction

*******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
 - *Capital Improvement Committee*
 - *Policy and Finance Committee*
- 3.5 STANDING COMMITTEES
- 3.6 DIRECTORS REPORTS ON MEETINGS/CONFERENCES/SEMINARS ATTENDED

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

OTHER BUSINESS

- 4.1 MEETINGS (pp.49)

CASA WateReuse Public Policy Forum
April 19, 2017 – The Sutter Club, Sacramento, CA

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

- 5.1 DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

*******END OF DIRECTORS COMMENTS/FUTURE AGENDA ITEMS*******

- 6.1 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.

Audio and video recordings of all Board meetings are available to the public at the District website www.vwd.org

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 4:00 p.m., Friday, March 31, 2017.

Diane Posvar

MINUTES OF A WORKSHOP MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
MONDAY, FEBRUARY 13, 2017, AT 5:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Elitharp called the Regular meeting to order at the hour of 5:00 p.m.

General Manager Pruim led the pledge of allegiance.

Present: Director Elitharp
Director Evans
Director Hernandez
Director Martin
Director Sannella

Staff Present: General Manager Pruim
Legal Counsel Scott
District Engineer Gumpel
Development Services Senior Engineer Scholl
Executive Secretary Posvar

Others Present: James Strayer, Associate Vice President, Black & Veatch
Kevin Davis, Regional Vice President, Black & Veatch

ADOPT AGENDA FOR THE WORKSHOP MEETING OF FEBRUARY 13, 2017

17-02-09 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously to adopt the agenda for the Workshop Board Meeting of February 13, 2017.

PUBLIC COMMENT

Mr. Hunsaker addressed the Board commenting on the Oroville Dam issue and the bad effect it would have on Southern California should the dam break. He inquired if a breakage would present a shortage problem or how much of an impact a spill would have on our immediate water supply. He hopes that there can be a complete report with some discussion on how bad things have gotten. The dam is a half century old, is beginning to form cracks and the erosion is not predictable. He thanked the Board.

DISCUSSION ITEM

MASTER PLAN CIP AND WATER RESOURCES

Rob addressed the Board stating that staff from Black & Veatch, who is the District's Master Plan consultant, will be facilitating the presentations to the Board. He provided history on Black & Veatch and introduced the representatives to the Board.

James Strayer, Associate Vice President with Black & Veatch, facilitated the Master Plan Capital Improvement Program detailing the following:

- 2014 Master Plan Status
- Updated Water and Wastewater Projections

- Water Demand Projections
- Projected Water System Capital Improvement Projects
- Wastewater Flow Projections
- Projected Wastewater System Capital Improvement Projects
- Wastewater Capital Improvement Projects Cost Estimates
- Capital Improvement Project Cost Estimates by Phase
- Next Steps

General question and answer took place during the presentation.

Kevin Davis, Regional Vice President with Black & Veatch, facilitated the Water Resources Facilities Plan detailing the following:

- Setting the Stage; where we are and scope of the study
- Previous VWD Integrated Water Resources Plan
- Water Resource Options
- Local Water Supply Options
- VWD Recycled Water Sources
- Escondido Recycled Water Sources
- Encina WPCF Recycled Water Source
- Stormwater Capture
- Stormwater Capture for South Lake
- Stormwater Capture for Lake San Marcos
- Dry Weather Runoff
- Non-Potable Reuse – New Wastewater Reclamation Facility
- Non-Potable Reuse – Meadowlark Wastewater Reclamation Facility – Local Users
- Non-Potable Reuse – Meadowlark Wastewater Reclamation Facility – All Users
- Indirect Potable Reuse Process: Typical
- Indirect Potable Reuse Process: Surface Water Augmentation
- Groundwater Recharge: Groundwater Basin
- Indirect Potable Reuse Option: Groundwater Recharge
- Groundwater Recharge: San Marcos Advanced Groundwater Basin
- Direct Potable Reuse: New Advanced Wastewater Treatment Plant
- Direct Potable Reuse Option: Regional Director Potable Reuse at Encina
- Avoided Costs
- Recycled Water Alternatives Summary
- Findings
- Recommended Top Options

Mr. Hunsaker addressed the Board stating that SANDAG projections have been grossly bad. SANDAG projected a lot more growth in Vista and a lot less than what's coming into San Marcos. Zoning density is the driving metric. Currently, if a developer says he is going to have 5% affordable housing, he's allowed 100% density bonus. Marijuana is

a huge consumer of water, based on the State study conducted in 2010. It estimates 6 – 8 gallons per plant per day. It also called for a very high density of marijuana plants – about 3,000 plants per acre. Based on lower densities in Colorado, if Newland Sierra decides to take their 378 acres of open land and use it for agriculture as they say, he determines they would be doing about half a billion dollars a year revenue. Marijuana needs very close chemistry in the water. He thinks it's advisable for Newland Sierra not to have permission to grow marijuana. It is in a fire protection zone, the plant is very flammable, and it is very water intensive. He also commented on the question of pretreatment of water for the small reservoir usage.

District Engineer Gumpel addressed the Board stating that staff met with the BIA prior to this workshop and discussed the same presentation. Both the staff and Black and Veatch feel that even with the slower growth projections, the CIP schedule is still conservative enough not to hinder future development. The BIA and its consultant understood delaying of the water CIP and the need for not delaying the sewer CIP as the big projects will be paid over multiple phases. Overall, staff received positive statements from the BIA representative and their consultant. Staff would like to confirm that the Board is comfortable with the less conservative approach and would like Board consensus on the general approach to the Master Plan.

General discussion took place. Following discussion, the consensus of the Board was to confirm staff's general approach to the Master Plan.

ADJOURNMENT

There being no further business to discuss, President Elitharp adjourned the Workshop Meeting of the Board of Directors at the hour of 7:43 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, February 15, 2017, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

Craig Elitharp, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruijm, Secretary
Board of Directors
Vallecitos Water District

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, MARCH 15, 2017, AT 5:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Elitharp called the Regular meeting to order at the hour of 5:00 p.m.

Director Hernandez led the pledge of allegiance.

Present: Director Elitharp
Director Evans (Arrived 5:06 p.m.)
Director Hernandez
Director Martin
Director Sannella

Staff Present: General Manager Pruim
Assistant General Manager Scaglione
Legal Counsel Scott
Administrative Services Manager Emmanuel
District Engineer Gumpel
Finance Manager Fusco
Operations & Maintenance Manager Pedrazzi
Capital Facilities Senior Engineer Hubbard
Accounting Supervisor Owen
Public Information/Conservation Supervisor Robbins
Financial Analyst Arthur
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF MARCH 15, 2017

17-03-01 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, with Director Evans absent, to adopt the agenda for the Regular Board Meeting of March 15, 2017.

PUBLIC COMMENT

None.

CONSENT CALENDAR

17-03-02 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, with Director Evans absent, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Closed Session Board Meeting – February 15, 2017
- B. Regular Board Meeting – February 15, 2017
- C. Finance/Investment Meeting – February 22, 2017

1.2 Warrant List through March 15, 2017 - \$3,458,686.66

1.3 Financial Reports

- A. Water Meter Count – February 28, 2017
- B. Water Production/Sales Report – 2016/2017
- C. Water Revenue and Expense Report – February 28, 2017
- D. Sewer Revenue and Expense Report – February 28, 2017
- E. Reserve Funds Activity – February 28, 2017
- F. Investment Report – February 28, 2017

1.4 Winter 2017 Between the Pipes – Vallecitos Water District Quarterly Newsletter

ACTION ITEMS

Director Evans arrived to the meeting at the beginning of the discussion regarding the pump zone charges.

PUMP ZONE CHARGES

General Manager Pruim stated this item was previously discussed by the Board at the January 18, 2017 Board meeting. Notices were sent to affected residents prior to that meeting. Feedback received from affected residents was the basis for the discussion at this meeting.

General Manager Pruim provided a presentation regarding pump zone charges which included the following information:

- What is a Pump Zone?
- District Pump Zone Map
- Costs Associated with Pump Zones
- How Do We Allocate the Costs?
- Assumptions
- Alternatives Considered
- Timing of Charges
- Staff Recommendations

General discussion took place during which Director Sannella requested historical information on the pump zone charges.

General Manager Pruim asked the Board for direction on what percentage of pump zone costs is the District trying to capture through pump zone charges, how will those costs be spread across District customers, and when should the new charges be effective?

Thirteen members of the public addressed the Board stating their opposition to potential pump zone increases. They expressed their concerns regarding the dramatic rate increases in a short period, electricity costs, lack of adequate planning to anticipate increases, the legality of charging different rates depending on where customers live, use of solar to reduce energy costs, over development, cutbacks to agricultural customers, cost and maintenance of fire hydrants and easements, meter sizes, accuracy of staff's calculations, and leadership/management of the District. The Board and staff responded to their concerns.

General discussion took place during which the option of leaving existing pump charges as they are and spreading the charges for the deficit funds among all customers was also considered. General Manager Pruim clarified that the District is currently collecting approximately 40% of the pump zone costs and the deficit is roughly \$240,000. This amount is already being apportioned among the District's remaining 19,000 – 20,000 customers who are not benefiting from the service directly.

Director Sannella stated he was in favor of charging all non-pump zone customers a \$.03 or \$.04 per unit pumping charge to make up the deficit and keeping the current rates as is for the customers in the pump zones.

William Mansfield, member of the public, addressed the Board stating he agreed with Director Sannella and suggested the Board send a letter to all customers to see how others feel about it.

General discussion took place during which the consensus of the Board was to direct staff to calculate what the actual numbers would look like for the option of sharing the pump zone charges throughout the District, determine when pump zone charges were last discussed (before January 2017) and what the charges were at that time. Director Hernandez requested a letter be sent to all District customers prior to the meeting at which this topic will be addressed again. General Manager Pruim stated the cost of mailing a letter to all customers will be approximately \$10,000.

The Board scheduled a Workshop meeting to further discuss new alternative pump zone charges on Thursday, April 20 at 5:00 p.m. The Board requested staff provide figures on the cost of operations and maintenance in the pump zones as well.

CHANGE ORDER REQUEST FOR MEADOWLARK WATER RECLAMATION FACILITY (MRF) TERTIARY MEDIA FILTER REPLACEMENT

Capital Facilities Senior Engineer Hubbard stated the tertiary filters are six concrete basins that process secondary wastewater effluent into recycled water. A District study determined the current media profile was too coarse and needed to be replaced with finer media to assist in removing smaller particles from the secondary wastewater effluent thereby improving turbidity and the quality of the recycled water. The new media will also reduce chemical use and costs, and increase efficiency of the filters.

Director Martin asked if the District is reimbursed 100% for costs associated with recycled water at MRF. General Manager Pruim stated the District's agreements to sell recycled water are based on the costs to produce that recycled water. Legal Counsel Scott clarified that the District recovers all its costs per the recycled water agreements.

Capital Facilities Senior Engineer Hubbard further stated that during removal of the existing media in the first three tertiary filters, the epoxy coating of the concrete walls showed significant signs of failure below the elevation of the media that was not detected until the media was removed. Although District Ordinance No. 146 Section 4.1.1 requires Board approval for change orders exceeding 10% of the contract value, staff requested the contractor begin repairs to the coating system under a contract change to prevent significant additional cost to repair the coating system later and construction delay costs, as well as to prevent delays to the construction schedule which is affecting MRF returning to full operational capacity. Full operational capacity is necessary to meet contractual obligations, especially for the upcoming spring and summer months when recycled water demands increase. A budget adjustment is not requested at this time and will be evaluated after the project is complete.

Staff recommended the Board approve the change order to Carbon Activated Corporation in the amount of \$153,803 for the MRF Tertiary Media Filter Replacement, subject to provisions of the contract.

General discussion took place.

17-03-03 MOTION WAS MADE by Director Hernandez, seconded by Director Evans, and carried unanimously, to approve the change order to Carbon Activated Corporation in the amount of \$153,803 for the MRF Tertiary Media Filter Replacement, subject to provisions of the contract.

2017 COST OF SERVICE AND RATE STRUCTURE STUDY REVIEW AND UPDATE

Assistant General Manager Scaglione provided an update regarding the current progress on the development of the 2017 Cost of Service and Rate Structure Study. As directed by the Board, staff proceeded with a water rate structure tiered by customer classes according to meter size, basing the highest of the three tiers on average maximum use, leaving some committed desalinated water purchases in Tier 3 and moving some from Tier 3 to Tier 2. Staff has completed a spreadsheet documenting methodologies, processes and calculations for the study, which will be the basis for the rate model and final report. The Finance/Investment Committee will be reviewing the rate model in detail at their next meeting.

Assistant General Manager Scaglione briefly discussed the draft 2017 Cost of Service and Rate Structure Study which includes information on water rate history, how customer classifications were determined, demand projection, how the tier structure was developed, and cost allocation.

General discussion took place regarding the Finance/Investment Committee and its purpose. Consensus of the Board was to cancel the Finance/Investment Committee meetings scheduled on March 22 and 29, and schedule a Finance/Investment Committee meeting on March 27 at 3:00 p.m. to discuss budget line items. A Board workshop will be held on March 29 at 5:00 p.m. to discuss the 2017 Cost of Service and Rate Structure Study and an additional Board workshop will be scheduled for April 26 at 5:00 p.m.

Mike Hunsaker, member of the public, addressed the Board regarding his concerns about the dramatic shift in rate structuring. He stated the public needs to be a part of this and that there is still much to be resolved concerning multi-family units and agriculture. He asked what determines when a Prop. 218 process begins? He asked if it is because a certain class of individuals are affected or if it is the whole class. Legal Counsel Scott stated that in general, the courts have interpreted the rates to be a property-related fee. Mr. Hunsaker asked if pump zone costs were spread across the whole District, would that require a Prop. 218 process? Legal Counsel Scott responded that pump zone charges are one of the charges that are exempt.

This item was presented for discussion only.

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

General Manager Pruim stated the ACWA/JPIA is seeking nominations for their Executive Committee. San Bernardino Valley Water Conservation District is requesting Vallecitos Water District concur in the nomination of Melody McDonald. For a nomination to be made, a resolution in support of the nomination is required from three agencies.

General discussion took place.

17-03-04 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, to adopt a resolution concurring in the nomination of Melody McDonald to the Executive Committee of the ACWA/JPIA.

REPORTS

GENERAL MANAGER

General Manager Pruim reported the following:

- The District has tested water at three schools within the District boundaries. Requests were received for 15 additional schools to be tested for lead. Testing

will be completed by early next week. Director Hernandez requested information on the lead testing be included in the next District quarterly newsletter.

- General Manager Pruim commended Operations & Maintenance Manager Pedrazzi and his staff for being the leading agency in educating the school district on the lead testing program.
- All above-ground repairs have been made to the area of the recent 16" sewer pipe failure.
- A well production test will be performed at the District's avocado grove on March 16. Results will be shared with the Board. Director Hernandez requested the well be tested for water quality as well.
- A water main break occurred on February 23 on Rancheros Drive near the freeway entrance. No customers were without service. Final repairs will be completed this evening.
- The San Diego County Water Authority (SDCWA) is beginning its water rates study and is expected to present information to their Board on April 27. Director Sannella would like to receive a brief report from SDCWA pertaining to cuts, efficiencies or reductions, if any, they have made in their operating processes in the last year or two. General Manager Pruim will request this information. Director Evans stated she spoke with SDCWA's General Manager about the possibility of providing a presentation to VWD's Board on rates, water fix issues, and efforts going on with Metropolitan.
- Smoke testing of the District's wastewater system will be conducted north of Palomar College due to a recent large flow increase in that area. The testing will be conducted on March 21.

DISTRICT LEGAL COUNSEL

Legal Counsel Scott reported the San Diego Regional Water Quality Control Board met today and passed a resolution supporting the path forward for the nutrient load reductions in Lake San Marcos and San Marcos Creek Watershed. The Board required all parties to be in attendance to present their support or opposition. After listening to all parties, the Board moved forward and supported the resolution.

SAN DIEGO COUNTY WATER AUTHORITY

Director Evans stated all five committees presented their draft workplans for the calendar years 2017 and 2018. The SDCWA Board authorized their General Manager to enter into an agreement for solar power on a floating photo voltaic power system at Olivenhain Municipal Water District. The project will hopefully produce six megawatts of energy and will cover twenty acres. The system is expected to be operational in late 2018.

Director Evans reported the Hans Doe Foundation donated \$15,000 to the SDCWA. The funds were used to update the SDCWA's water display in the Fleet Science Museum.

Director Evans stated there were 2,500 legislative bills presented. She offered to send the information to interested Directors.

ENCINA WASTEWATER AUTHORITY

Director Hernandez reported on his attendance to the Capital Improvement Committee meeting this morning at which engineering services for the E-Camp were approved. The Energy and Omissions Strategic Plan and Biosolids Management Plan were authorized in the hopes of finding more revenues similar to the efficiencies resulting from the Fats, Oils and Grease Program.

President Elitharp reported on his attendance to the Policy and Finance Committee meeting on March 7 at which the Committee reviewed the 2016 Annual Pre-Treatment Program Report and authorized the path to solicit proposals for the FY2017 Ocean Outfall Maintenance and External Inspection Services.

STANDING COMMITTEES

Director Martin reported the Finance/Investment Committee met on February 22. The Committee meetings are now being audio recorded.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Hernandez reported on his attendance to the February 21 Council of Water Utilities (COWU) meeting, the California Association of Sanitation Agencies (CASA) and Association of Water Agencies (ACWA) Washington, D.C. conferences, and the San Diego North Economic Development Council (SDNEDC) Investor meeting.

President Elitharp reported on his attendance to the CASA and ACWA Washington, D.C. conferences.

Director Martin reported on his attendance to the ACWA Legislative Symposium held in Sacramento and the SDNEDC Investor meeting.

Director Sannella reported on his attendance to the COWU and SDNEDC Investor meetings.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Hernandez commended Director Sannella for the fine job he did at the Republican Caucus. He also commented on a National Geographic documentary televised last night regarding water and power.

Director Sannella commented on the 2016 Year in Review that was distributed to the Board, stating that it was very well done. General discussion took place as to the distribution of the report as only 100 are printed due to the high printing cost. General Manager Pruim stated the report will be available on the District's website. Suggestions were made to place copies in the lobby of the District office and public areas of San Marcos City Hall and the school district. Director Sannella suggested for future years possibly replacing one of the District's quarterly newsletters with the Year in Review to defray some of the cost of printing the report.

Director Martin congratulated staff on the new Between the Pipes quarterly newsletter which replaces the former SPLASH! newsletter. He concurred with Director Sannella that the Year in Review needs a wider distribution.

Director Sannella requested his District email address be added to his profile page on the District's website so that the public can more easily contact him.

ADJOURNMENT

There being no further business to discuss, President Elitharp adjourned the Regular Meeting of the Board of Directors at the hour of 8:52 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, April 5, 2017, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

Craig Elitharp, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruim, Secretary
Board of Directors
Vallecitos Water District

MINUTES OF A MEETING OF THE
FINANCE/INVESTMENT COMMITTEE
OF THE VALLECITOS WATER DISTRICT
MONDAY, MARCH 27, 2017 AT 3:00 P.M.
AT THE DISTRICT OFFICE, 201 VALLECITOS DE ORO,
SAN MARCOS, CALIFORNIA

Director Martin called the meeting to order at the hour of 3:00 p.m.

Present: Director Martin
 Director Sannella
 General Manager Pruim
 Assistant General Manager Scaglione
 Finance Manager Fusco
 Operations & Maintenance Manager Pedrazzi
 Accounting Supervisor Owen
 Financial Analyst Arthur
 Administrative Secretary Johnson

Others Present: Director Evans

ITEM FOR DISCUSSION

BUDGET REVIEW

General Manager Pruim stated the purpose of the meeting was to provide the Committee with a broad overview of components in the preliminary proposed 2017/18 operating budget, specifically expenses. Discussion regarding capital projects and equipment will take place at a future meeting. Detailed line-by-line budget information was distributed to the Committee for their review before the next Finance/Investment Committee meeting at which staff will answer any questions the Directors have.

Finance Manager Fusco distributed handouts which he reviewed with the Committee that included the following information at a broad level and a more detailed level:

- Departmental Budget-to-Budget Variance and Explanations
- Water Operations Draft Budget for the Year Ending June 30, 2018
- Wastewater Operations Draft Budget for the Year Ending June 30, 2018
- 2017-18 Budget Request Materials & Services Budget Amounts
- Draft 2017-18 Personnel Budget
- Draft Budget for the Year Ending June 30, 2018 Salary and Benefit Recap
- Graph – Budgeted-to-Actual Fulltime Equivalent Positions

General discussion took place during which the projected cost increases for pumping, transmissions and distribution, water purchases, water quality, and services were reviewed in detail.

Director Sannella stated that in reviewing the proposed labor costs for Customer Accounts and IT, those are two departments that are somewhat commonly outsourced completely or

almost completely by water districts and other special districts. He asked if the District had performed an analysis of the potential cost savings by outsourcing those departments. He requested this type of information be provided to the full Board to consider if outsourcing would be worth it or not.

General Manager Pruim stated that with the upcoming retirement of the IT Supervisor, he is recommending a pilot project of six to nine months to outsource the management of the IT Department, with the four employees remaining in place.

General discussion took place regarding gathering information from other agencies that have outsourced some of their departments. General Manager Pruim suggested this subject could perhaps be more appropriately addressed in the Strategic Plan, and that he would need further direction from the Board regarding staffing analysis. He asked Director Sannella to forward him information on agencies he is aware of that are outsourcing functions to find out what process they went through, how the experience was, their before and after costs, and if they would do it again.

Operations & Maintenance Manager Pedrazzi commented that operations staffing is at the same level as 2011/2012 even though more facilities have come on line. As positions become open due to retirements, medical leaves, etc., management considers whether the positions need to be filled now or if they can be postponed.

General discussion took place during which the projected cost increases for building and grounds and engineering were reviewed in detail as well as the personnel budget and staffing levels.

General discussion took place concerning the comparison of actual expenses to budgeted expenses in preparing the budget. Directors Sannella and Martin expressed their concerns regarding rates in relation to over budgeting. An error was discovered in the Projected FY16-17 amount for water purchases which should be approximately \$4.9 million dollars higher than the stated \$21.6 million.

The Committee directed staff to present the information provided at this meeting to the full Board at the March 29 Board workshop. Additional information will include budget to actual comparison for FY15-16 and the correction of the projected FY16-17 water purchases. Copies of the handouts from this meeting will be provided to the full Board prior to workshop.

OTHER BUSINESS

None.

PUBLIC COMMENT

None.

ADJOURNMENT

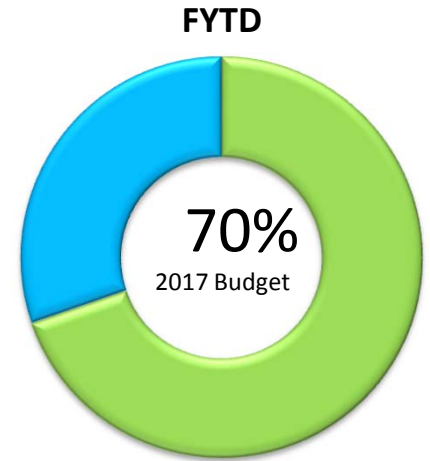
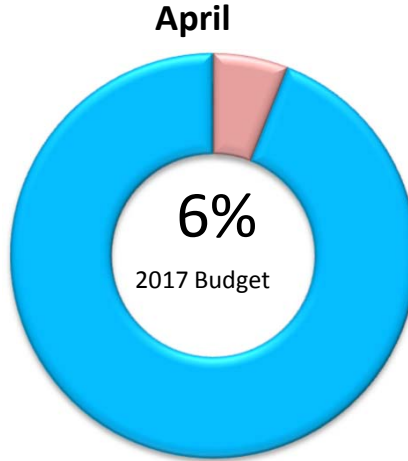
There being no further business to discuss, the meeting was adjourned at the hour of 4:47 p.m.

**VALLECITOS WATER DISTRICT
WARRANTS LIST SUMMARY
April 5, 2017**

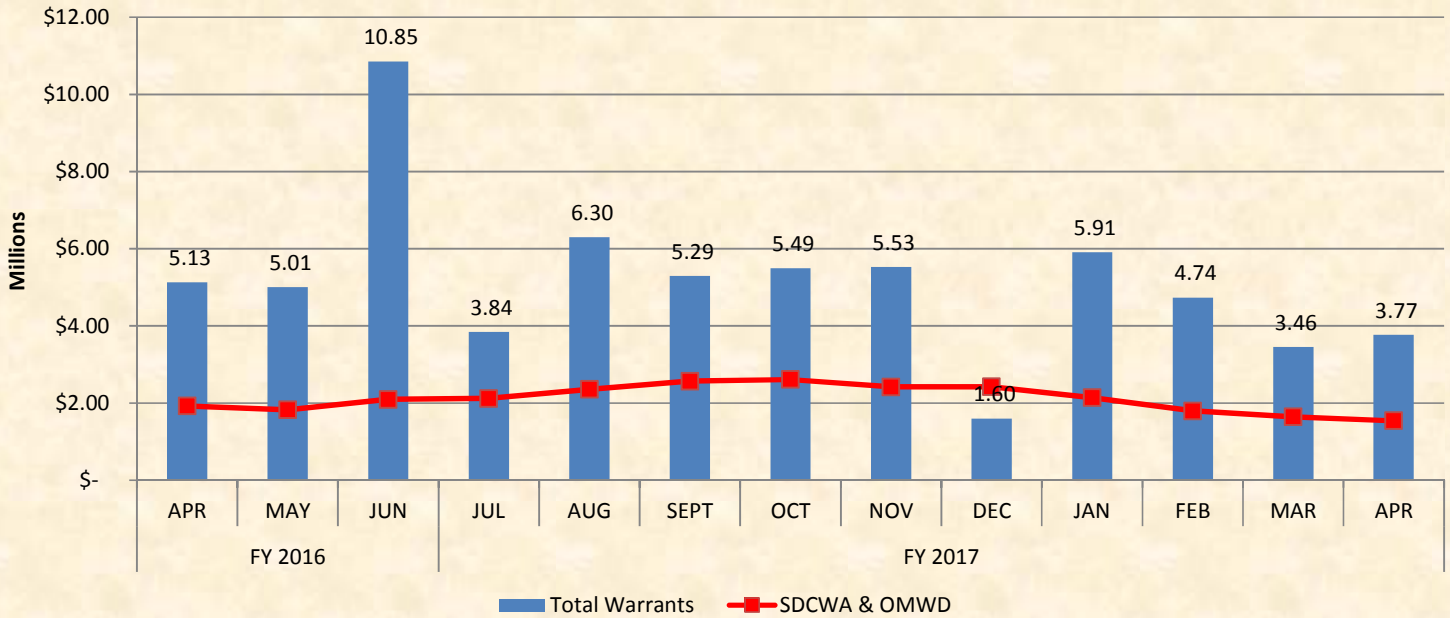
Summary

April Warrants	\$ 3,772,610 *
YTD Warrants	\$ 43,800,246 *
FY2017 Budget	\$ 62,827,000

* Excludes Debt Service

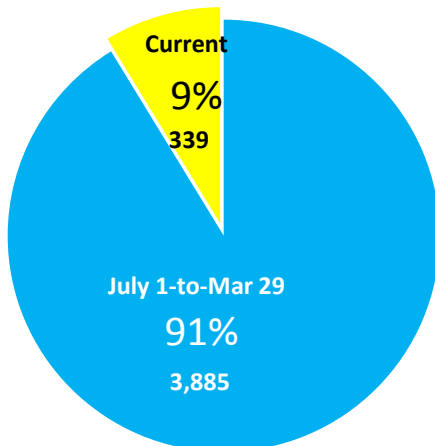


Historical Warrants by Month**

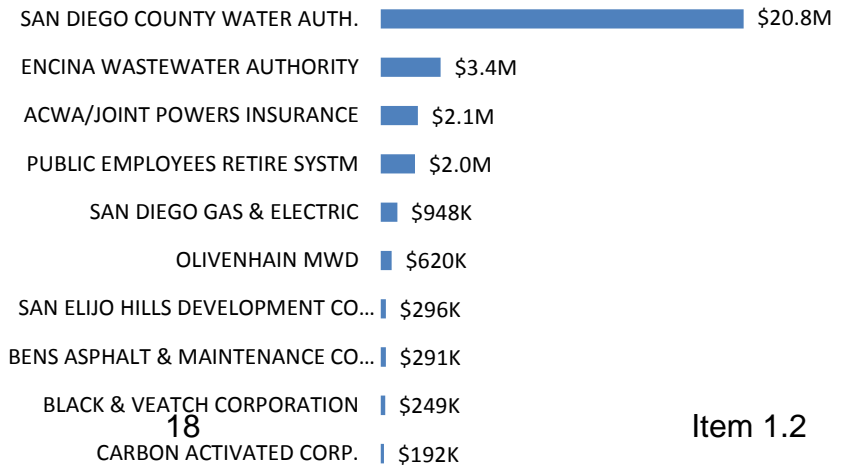


** Historical Warrants by Month chart summarizes amounts in the Warrants List for the given month not amounts paid during the month with the exception of SDCWA & OMWD payments.

Invoices Processed



Top 10 Vendors - FYTD



VALLECITOS WATER DISTRICT
WARRANTS LIST
April 5, 2017

PAYEE	DESCRIPTION	CHECK#	AMOUNT
CHECKS			
Garnishments	Payroll Garnishments	110358 through 110362	-
ACWA/Joint Powers Insurance	Group Insurance Apr	110363	192,409.96
DirecTV Inc	Satellite Svc Feb	110364	37.54
Home Depot Credit Services	Hardware Supplies	110365	337.43
SDG&E	Power Feb	110366	8,455.32
Union Bank FKA 1st Bank Card	Meetings & Travel Feb	110367	5,452.48
Union Bank FKA 1st Bank Card	Meetings & Travel Feb	110368	1,654.72
Union Bank FKA 1st Bank Card	Meetings & Travel Feb	110369	5,201.70
Union Bank FKA 1st Bank Card	Meetings & Travel Feb	110370	2,269.58
Verizon Wireless	IPad & Cell Phone Svc Feb	110371	3,028.39
Garnishments	Payroll Garnishments	110372 through 110375	-
Action Mail	Spring Between The Pipes Postage Prj 20171-27	110376	6,662.97
ACWA/Joint Powers Insurance	Property Insurance Renewal 4-1-17 to 4-1-18	110377	51,850.00
Adler Tank Rentals, LLC	Plastic Top Bin For AC Pipe Prj 20171-25	110378	5,364.32
Adobe Lock & Safe	Lock Repair	110379	90.00
AH Water Inc	Carbon Scrubber Rental Apr	110380	1,573.15
Air Pollution Control District	Claim Settlement	110381	150.00
Airgas USA LLC	Cylinder Rental	110382	89.09
All Star Signs, Inc	Name Plates 3	110383	59.26
Al's Towing Inc	Towing of Veh 198, Vactor Pull Mud Emergency	110384	780.00
J.C. Ehrlich Co Inc	Plant Maintenance Mar	110385	263.00
Amy Morrison	Closed Account Refund	110386	123.82
Kevin Anttil	Construction Expo 3-8-17	110387	240.47
Ann Gomez	Laser Fiche Conference 2-7-17	110388	222.47
APGN Inc.	Turbo Blower Replacement Prj 20171-6, Aeration Blower Filters 42	110389	65,866.24
Arthur A. Brown Plumbing	Svc Urinal MRF	110390	270.00
AT&T	Phone Svc Feb	110391	2,950.10
AT&T	Phone Svc SCADA Mar	110392	218.65
Athenx Inc	Replace Card Reader & Add Switch For Front Gate, Rewire Back Gate Main Bldg	110393	1,671.96
B & C Crane Service Inc	Crane Rental Prj 20171-8	110394	870.00
Backflow Solutions, Inc.	Backflow Subscription 2 Years 4-4-17 to 4-1-19	110395	990.00
Best Best & Krieger	2015 SDG&E General Rate Case	110396	6,086.53
Blue Wave Security	Blue Wave Software Upgrade	110397	425.00
Boncor Water Systems	Soft Water & Drinking Water Svc Mar	110398	1,645.00
Bradley's Pro Clean Inc	Cleaning Supplies	110399	77.52
Brady Sand And Material Inc	Rock & Cold Mix	110400	3,281.89
CA Dept of Forestry/Fire Prot	Crew Work Jan	110401	1,828.96
California Nozzle Specialists Inc	Hardware Supplies	110402	50.00
Calm Meadows Inc	Closed Account Refund	110403	215.92
Calolympic Safety	Safety Cable System For Salt Tank Twin Oaks & Mahr Reservoir	110404	1,803.07
Christopher Carlisle	Water Operations Course	110405	114.55
Jeffrey Colwell	Video Production Prj 20171-28	110406	910.00
Construction Diamond Products Inc	Saw Blade	110407	405.73
Core Logic Information Solutions Inc	Real Quest Svc For Engineering Maps, Engineering Map Svcs Feb	110408	600.00
Corodata Media Storage Inc	Back Up Storage Feb	110409	155.72
Council of Water Utilities	Meeting 3-21-17 & Replacement Check For Olivenhain	110410	275.00
County of San Diego	Recording Fees Feb	110411	36.00
Cove Capital Properties	Closed Account Refund	110412	68.68
Craig Elitharp	COWU Meeting 2-21-17, CASA/ACWA Conf 2-26-17, SDNEDC Meeting 3-9-17	110413	243.38
Custom Property Brokers	Closed Account Refund	110414	92.94
CWEA	Collection System Cert T Moritz	110415	88.00
CWEA	Membership R Salazar	110416	172.00
CWEA	Collection System Cert J Aceves	110417	88.00
Derek Gough	Closed Account Refund	110418	47.34

VALLECITOS WATER DISTRICT
WARRANTS LIST
April 5, 2017

PAYEE	DESCRIPTION	CHECK#	AMOUNT
Diamond Environmental Services	Portable Restroom MRF	110419	273.53
DirecTV Inc	Satellite Svc Mar	110420	161.23
Donald & Ngoc Harvey	Closed Account Refund	110421	63.69
Emcor Service	HVAC Preventative Maintenance, Change Exhaust Fan Women's Restroom	110422	4,566.48
Erika Correnti	Closed Account Refund	110423	79.74
Eurofins Eaton Analytical Inc	Algae ID & Analysis Mahr	110424	210.00
Betty Evans	Urban Water Institute Conference 2-8-17	110425	165.09
Fastenal Co	Small Tools, Hardware Supplies	110426	498.29
Fitch Contracting Co.	Maintenance Shop Roof MRF Prj 20171-13	110427	28,500.00
Freedom Automation Inc	Svc Calls Twin Oaks, Double Peak, LS1, Sludge Flow Meter, PLC Programming	110428	8,550.00
G & R Auto & Truck Repair Inc	Annual Smoke Testing 10 Vehicles	110429	500.00
George & Krogh Welding Inc	Vactron Pit Prj 20141-18, Traffic Control Storage Addition Veh 264	110430	8,801.30
Harrington Industrial	Hardware Supplies	110431	272.30
Harris	AB Suite Staging & Migration	110432	11,900.00
Hawthorne Machinery Co.	Front Wheel Backhoe 166	110433	239.38
James R Hernandez	COWU Meeting 2-21-17, CASA/ACWA Conference 2-26-17	110434	240.40
Industryuptime Inc	Oil For Pump 2 MRF	110435	541.57
Infinisource	Cobra Svcs 3-17 to 3-18	110436	1,850.00
Infosend Inc	Snipes Water Conservation Prj 20171-27, Postage & Printing Mar	110437	3,593.67
Infrastructure Engr Corp	Rock Springs Sewer Prj 90003	110438	16,808.96
Infrastructure Engr Corp	LS1 Wet Well Coating Prj 20171-4	110439	803.00
Jason Hubbard	Water Management Course CSUSM	110440	886.73
Javelin Group Inc	Closed Account Refund	110441	21.04
Jeff Katz	Locker Room Expansion Water Ops Prj 20161-5	110442	1,050.00
Jeremiah Sifuentes	Closed Account Refund	110443	31.85
Johnson Matthey Inc	Generator Filter Testing MRF	110444	1,500.00
Jolene Fulks	Closed Account Refund	110445	107.89
JCI Jones Chemicals Inc	Chlorine	110446	5,833.05
JWC Environmental LLC	LS1 Chemical Grinder Rebuild	110447	21,046.81
Karissa & Gabriel Sanabria	Closed Account Refund	110448	195.75
Knight Security & Fire Systems	Answering, Patrol Svc Mar	110449	569.61
Law Offices of Jeffrey G Scott	Legal Svcs Feb	110450	13,079.50
Lawnmowers Plus Inc	Hardware Supplies	110451	116.39
Lea Coll	Closed Account Refund	110452	60.08
Leonel Contreras	Closed Account Refund	110453	11.04
Lito Santos	ASCR Dinner 2-9-17	110454	30.00
Lloyd Pest Control	Pest Control Feb	110455	719.00
Tobias Luna	D4/D5 Math Review 3-15-17	110456	31.20
Mallory Safety And Supply, LLC	Gloves, Ear Plugs, Vests, Bandages, Safety Glasses, Safety Supplies	110457	2,615.87
Manpower Temp Services	Customer Svc Rep Week Ending 3-5-17 & 3-12-17	110458	1,277.94
Hal Martin	SDNEDC Meeting 3-9-17, ACWA 3-7-17, Watereuse 3-19-17, COWU 3-21-17	110459	825.46
Mary Timmen	Closed Account Refund	110460	89.13
Matheson Tri-Gas Inc	Cylinder Rental	110461	302.44
Matthew & Heather Seipt	Closed Account Refund	110462	78.85
San Diego Printing Group, Inc.	Color Copies LS1 Wet Well Room Repairs Prj 20171-4	110463	956.47
Michelle Krug	Closed Account Refund	110464	68.89
Nolte Associates Inc	Public Outreach Prj 20171-29	110465	4,581.50
North County Fire Equipment	Annual Fire Sprinkler Testing MRF	110466	1,816.00
Occu Med Ltd	Medical Svcs	110467	2,002.00
Olivenhain MWD	Deposit Furman Group	110468	6,440.16
Olivenhain MWD	Treated Water Jan & Feb	110469	76,117.20
Olympic Coatings California	Traffic Control Rack Veh 264 Prj 20161-30, Blower Header Coating Prj 20171-6	110470	1,245.96
Ostari Inc	Network Monitoring 7-16 To 6-17, IT Support Feb	110471	4,525.00
Pacific Pipeline Supply	Grip Cable, Hardware Supplies	110472	486.75
Pencco, Inc.	Trioxyn, Sulfend RT	110473	17,430.69

VALLECITOS WATER DISTRICT
WARRANTS LIST
April 5, 2017

PAYEE	DESCRIPTION	CHECK#	AMOUNT
Platinum Realty Executives	Closed Account Refund	110474	98.37
Plumbers Depot Inc	CCTV Cable Connectors, Hardware Supplies	110475	1,254.81
Polydyne Inc	Clarifloc	110476	15,181.76
Quality ARQ, Inc	Windshield Replacement Veh 213	110477	341.70
Recycled Aggregate Materials Co Inc	Concrete Recycling	110478	650.00
Air Quality Compliance Solutions, Inc.	Operator Svc Mar	110479	175.00
Ric Mendoza	Closed Account Refund	110480	68.89
Rusty Wallis Inc	Soft Water Tank Svc Mar	110481	225.00
Ryan Herco Products Corp.	Chlorine Injectors 2	110482	4,593.98
SDG&E	Power Feb	110483	102,773.43
Sierra Pacific West	Closed Account Refund	110484	877.50
Smart & Final	Office Supplies	110485	71.12
Staples Advantage	Office Supplies	110486	798.19
State Board of Equalization	Annual Use Tax Year Ending 12-31-16	110487	18,537.00
State Water Resources Control	Water Distribution Cert D Austin	110488	90.00
Sunbelt Rentals Inc	Man Lift Rental, Floor Scrubber Rental	110489	1,491.31
Teledyne Isco Inc	Hardware Supplies	110490	494.57
Tracy & Justin Cozee	Closed Account Refund	110491	17.41
Tracy Spooner	Closed Account Refund	110492	85.12
Traffic Supply Inc	Hardware Supplies	110493	155.16
Underground Service Alert	Dig Alerts Feb	110494	247.50
Unitis, Inc.	Sand Bags 200, Industrial Salt MRF	110495	1,619.00
Univar USA Inc	Sodium Hypo Liquichlor, Sodium Bisulfite, Caustic Soda	110496	14,618.80
Universal Protection Service LP	Weekly Deposit Svc Jan	110497	57.20
UPS	Shipping Svcs Feb & Mar	110498	250.15
Upward Trend LLC	Closed Account Refund	110499	124.18
City of Vista	Sewer Flow 7-1-15 to 6-30-16	110500	73,303.39
Vortex Industries Inc	Svc Back Gate Main Building	110501	982.00
Wayne Boyer	Easement Prj 20161-25	110502	15,000.00
XC2 Software LLC	Back Flow Software Renewal 4-16 to 4-17	110503	1,475.00
Xerox Corporation	Copier Lease Feb	110504	419.37
Yu Zhao	Closed Account Refund	110505	114.80
Yuh-Jing Lin	Closed Account Refund	110506	41.87
Carbon Activated Corp.	Tertiary Media MRF Prj 20121-4	110507	149,658.72
CDW Government Inc	Cables, Apple Mac Computer Conservation, Apple Care 3 Year Svc	110508	2,472.38
Desert Pumps & Parts	Sludge P1 Stator MRF	110509	1,755.31
3E Company	Chemical Spill Hotline 4-17 to 4-18	110510	580.00
Ewing Irrigation Products	PVC Supplies	110511	297.33
Fisher Scientific LLC	Lab Supplies MRF	110512	475.14
GSG Printing Inc.	Year In Review Materials Conservation Dept Prj 20171-27	110513	484.88
Grainger Inc	Sump Pumps 3, Clamps 6, Buckets, Saw Blades, Chlorine Injection Materials	110514	6,533.88
Ken Grody Ford	Fleet Supplies	110515	16.10
Hach Company	Reagents, In Line Turbidity Meter MRF	110516	1,472.90
Hawthorne Lift Systems	Fork Lift Rental Prj 20171-6	110517	1,801.44
Huntington & Associates, Inc.	3 Inch Claval Parts	110518	632.59
Interstate Batteries	Battery Veh 244, Batteries 2 Veh 210	110519	384.51
Jurman's Emergency Training Service	Bi Annual Fee - CPR Certification Risk & Safety Dept	110520	40.00
Kaman Industrial Technologies	Hardware Supplies	110521	180.35
Safety-Kleen Systems Inc	Parts Washer Rental	110522	418.07
Laser Cut Concrete Cutting Inc	Core Drilling Prj 20171-6	110523	440.00
Pal Services Inc	Bee Removal	110524	150.00
Motion Industries Inc	Low Flow Indicators 2	110525	3,360.38
The New York Blower Company	Odor Scrubber Fan MFR	110526	835.00
One Source Distributors LLC	Storm Well Upgrade Materials, Hardware Supplies	110527	1,933.54
PC Specialists Inc	Raid Array For Conservation Video Editing, LED Monitors 5	110528	2,063.30

VALLECITOS WATER DISTRICT
WARRANTS LIST
April 5, 2017

PAYEE	DESCRIPTION	CHECK#	AMOUNT
PDQ Connect Inc	Radios & Antennas 6 Twin Oaks	110529	1,772.20
Rick Post Welding	Coupling Welding 2, Flange Welding	110530	2,950.00
R & B Automation Inc	Svc Effluent Valve Actuator MRF	110531	1,100.00
Safe Hearing America Inc	Hearing Testing	110532	901.00
Scada Integrations	Scada Integration Svcs Water Ops	110533	937.50
Specialty Seals & Accessories	Refurbish Mechanical Seal Double Peak	110534	1,040.56
Stehly Brothers Drilling Inc	Grove Well Testing	110535	500.00
Telog Instruments Inc	Pressure Recorder Repair	110536	243.82
Temecula Valley Pipe & Supply	Hardware Supplies	110537	407.49
Unifirst Corporation	Uniform Delivery	110538	2,137.87
VAP Enterprises Inc	Rock Springs Sewer Prj 90003	110539	2,844.00
E.H. Wachs Company	Handheld Valve Machine For Valve Turning Program	110540	8,900.43
Walters Wholesale Electric	Blower Upgrade MRF Prj 20171-6, Hardware Supplies	110541	1,100.74
Waxie Sanitary Supply	Cleaning Supplies	110542	2,416.12
Total Disbursements (176 Checks)			<u>1,092,103.86</u>
WIRES			
San Diego County Water Authority	February Water Bill	Wire	1,538,353.10
Public Employees Retirement System	Retirement Contribution - March 15, 2017 Payroll	Wire	67,235.78
Public Employees Retirement System	Retirement Contribution - March 29, 2017 Payroll	Wire	68,511.54
Union Bank	Bank of America loan payment - Interest	Wire	43,896.60
Union Bank	Union Bank debt payment - Principal	Wire	200,000.00
Union Bank	Union Bank debt payment - Interest	Wire	17,421.53
Total Wires			<u>1,935,418.55</u>
PAYROLL			
Total direct deposits		Wire	224,532.49
VWD Employee Association		110358	390.00
Garnishments		110362	2,237.88
IRS	Federal payroll tax deposit	110359 through Wire	97,759.09
Employment Development Department	California payroll tax deposit	Wire	17,172.27
CalPERS	Deferred compensation withheld	Wire	17,375.36
VOYA	Deferred compensation withheld	Wire	7,346.70
Total March 15, 2017 Payroll Disbursements			<u>366,813.79</u>
Total direct deposits		Wire	231,447.82
VWD Employee Association		110372	486.00
Garnishments		110375	1,715.06
IRS	Federal payroll tax deposits	110373 through Wire	100,996.99
Employment Development Department	California payroll tax deposit	Wire	18,129.23
CalPERS	Deferred compensation withheld	Wire	18,690.77
AETNA	Deferred compensation withheld	Wire	6,807.92
Total March 29, 2017 Payroll Disbursements			<u>378,273.79</u>
Total Payroll Disbursements			<u>745,087.58</u>
TOTAL DISBURSEMENTS			<u><u>3,772,609.99</u></u>

DATE: APRIL 5, 2017
TO: BOARD OF DIRECTORS
SUBJECT: APPROVAL OF TEMPORARY OFF-SITE WATER SERVICE AGREEMENT FOR JOUBRAN RESIDENCE - APN 228-030-47 (SUE JOUBRAN)

BACKGROUND:

Sue Joubran, owner of the property, has requested approval of a Temporary Off-Site Water Service Agreement to provide water service for a single-family residence on the above-referenced property.

DISCUSSION:

The subject property is located within Vallecitos Water District's (VWD) water service boundary, at 1516 Calavo Drive, and is not located adjacent to an existing VWD water main. An existing VWD 12-inch ACP water main is located in Rock Springs Road, approximately 435 feet from the subject property (see attached figures).

District standards require the extension of water facilities along the frontage of properties requiring service. In this case, the extension of the water main to APN 228-030-47 will only serve this one property. The existing properties surrounding this parcel have already entered into agreements for water service with VWD. The cost to extend the water main would be prohibitive for a single land owner and cause financial hardship. The property owner will be responsible to hire a private contractor for the service line and meter installation. The property owner will be required to pay Vallecitos Water District the associated capacity fees based on the size of meter installed and the required flow.

Per District Ordinance No. 118, a "Temporary Off-Site Water Service Agreement" is defined as service to those properties that do not abut, traverse, or are adjacent to existing pipelines, but future pipeline extensions to serve and benefit the property may occur. The property owner is required to obtain and submit to VWD a private water line easement from their property through the neighboring property to the VWD water main prior to consideration of the Temporary Off-Site Water Service Agreement by the Board.

While it is not likely that future pipeline extensions would be constructed which could serve this property, future development plans in the area may change that determination. If a pipeline extension is ever constructed which can serve this property, the Agreement requires the owners to relocate the water meter to the new main at that time.

FISCAL IMPACT:

None. Future water revenues will offset costs of service.

RECOMMENDATION:

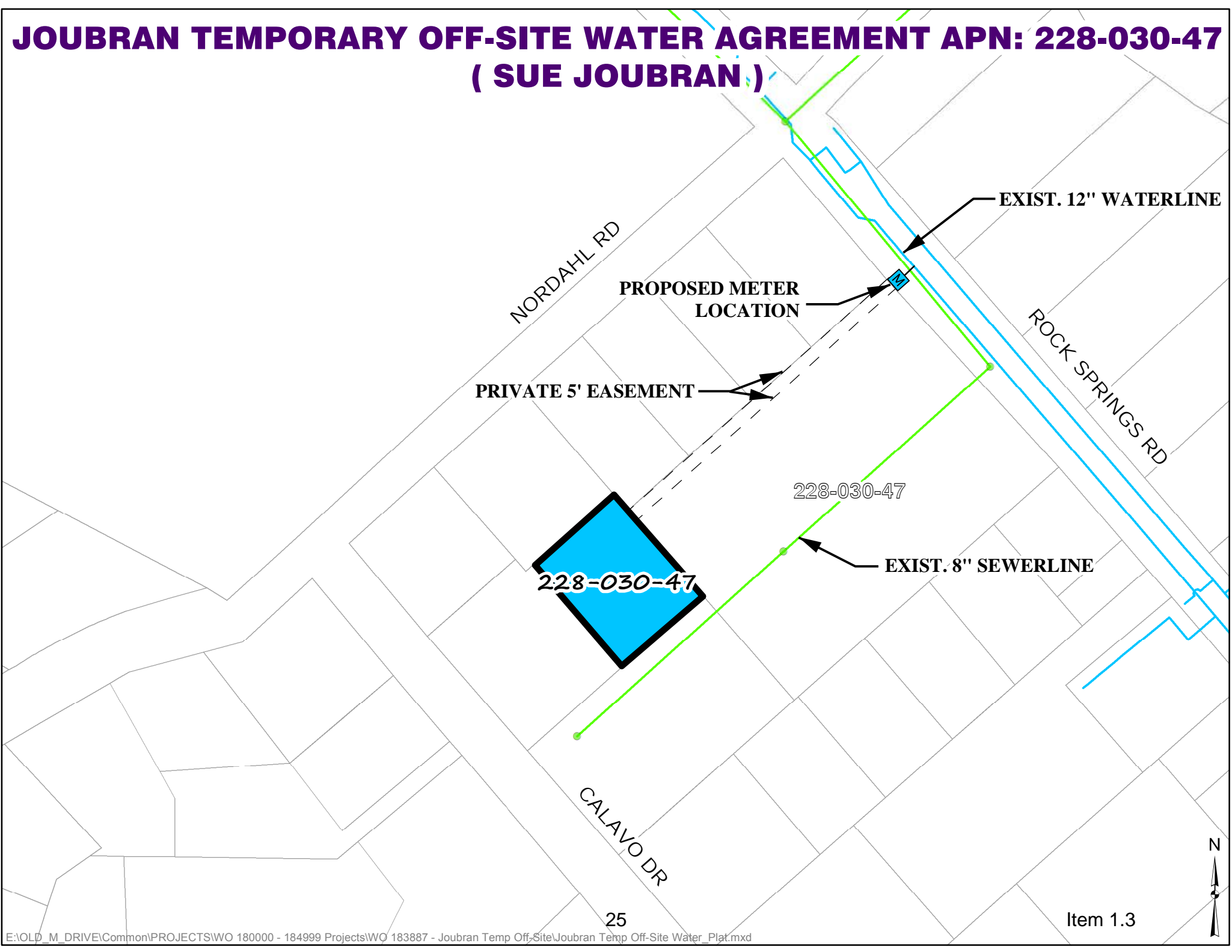
Approve a Temporary Off-Site Water Service Agreement with the following conditions:

1. Execution of a Temporary Off-Site Water Service Agreement which will be recorded against the property.
2. Payment of \$500 Administration fee and County recording fees.
3. Submittal of proof of recorded easement across adjacent property for a private water service line. This item has already been submitted by the property owner.
4. Installation of a service line and water meter by owner's contractor with inspection by District personnel.
5. No water service will be allowed until payment of all current fees and charges (including Water Capital Facility Fees) and completion of the above conditions.

ATTACHMENTS:

1. Plat map illustrating location of proposed Joubran Temporary Off-Site Water Service Agreement
2. Aerial map illustrating location of proposed Joubran Temporary Off-Site Water Service Agreement

JOUBRAN TEMPORARY OFF-SITE WATER AGREEMENT APN: 228-030-47 (SUE JOUBRAN)



NORDAHL RD

ROCK SPRINGS RD

CALAVO DR

228-030-47

228-030-47

PROPOSED METER LOCATION

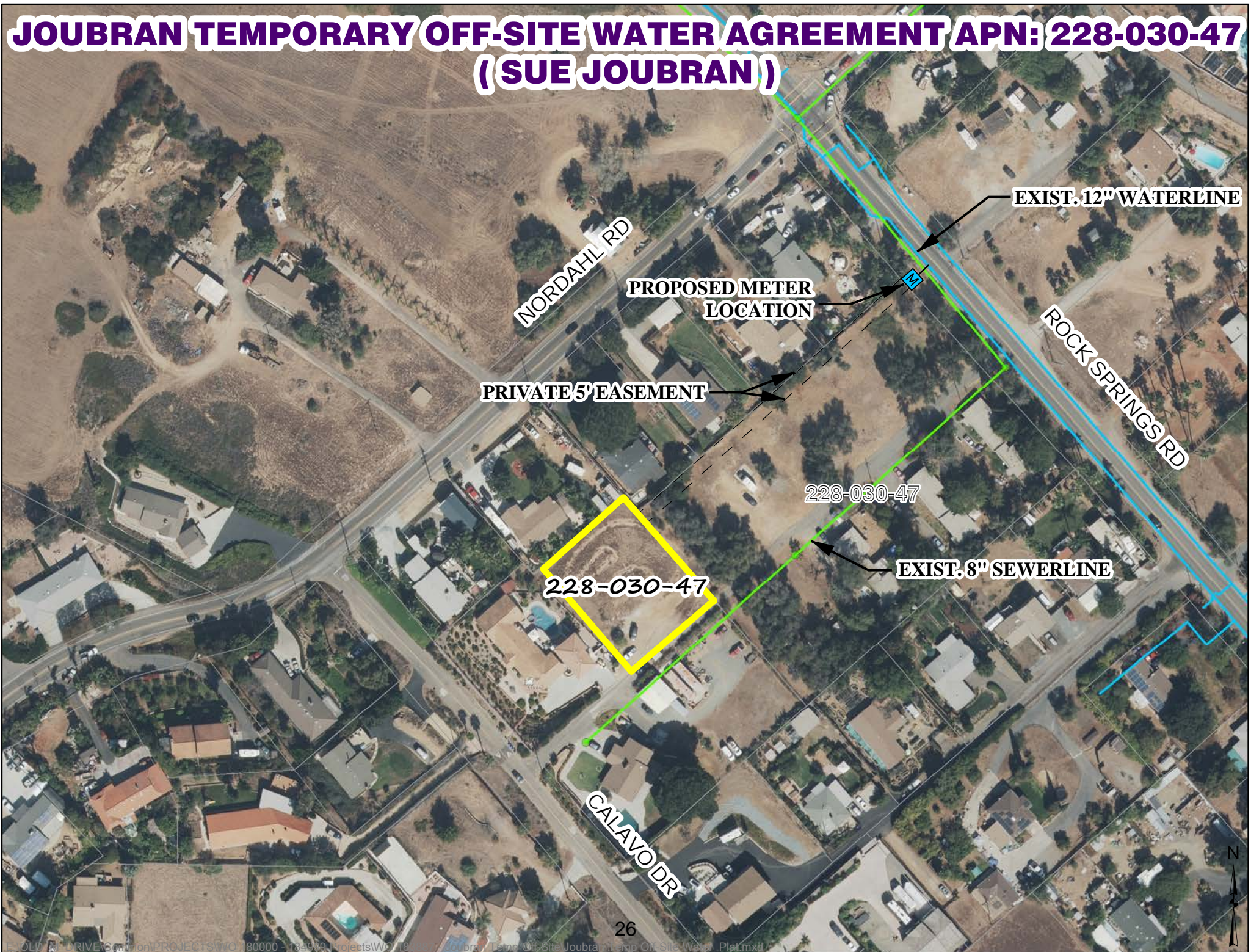
PRIVATE 5' EASEMENT

EXIST. 12" WATERLINE

EXIST. 8" SEWERLINE



JOUBRAN TEMPORARY OFF-SITE WATER AGREEMENT APN: 228-030-47 (SUE JOUBRAN)



DATE: APRIL 5, 2017
TO: BOARD OF DIRECTORS
SUBJECT: FINAL ACCEPTANCE OF WATER AND SEWER IMPROVEMENTS FOR
BLOCK 'F' – ADAPTIVE RE-USE, APN 220-200-53
(URBAN VILLAGES SAN MARCOS, LLC)

BACKGROUND:

Urban Villages San Marcos, LLC, owner of project, has completed the installation of water and sewer facilities for their project. The project is a portion of the Block F project which is located in the University District, north of Barham Drive between Redel Road and Industrial Street.

DISCUSSION:

The project constructed approximately 950 feet of 12-inch diameter PVC water main and replaced existing 8-inch diameter DIP sewer main with 306 feet of 8-inch diameter PVC sewer main.

Along with the water and sewer mains, assorted appurtenances were installed such as fire hydrants, blow offs, automatic air and vacuum valves, gate valves, manholes, and a water meter and sewer lateral. The facilities will serve the Urge Brew House and connect to future infrastructure to serve future University District development.

The owner has provided the District with the required security to guarantee repairs due to failure of materials or workmanship for a period of one year. All current fees and charges have been paid to date, as have all water and wastewater Capital Facility fees for the entire site.

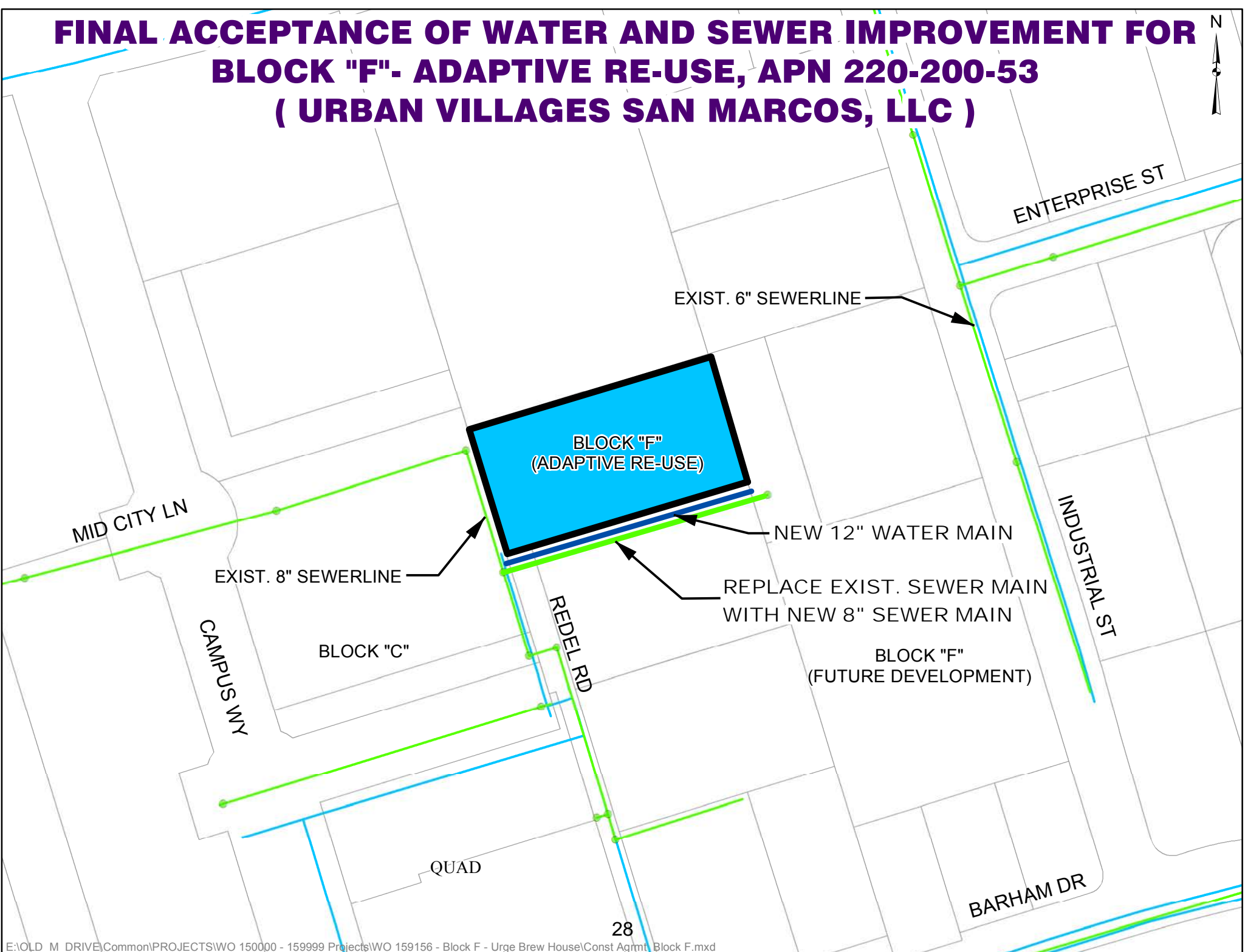
FISCAL IMPACT:

None. Future water and sewer revenues will offset costs of service.

RECOMMENDATION:

Accept the project improvements and approve the filing of a Notice of Completion.

FINAL ACCEPTANCE OF WATER AND SEWER IMPROVEMENT FOR BLOCK "F"- ADAPTIVE RE-USE, APN 220-200-53 (URBAN VILLAGES SAN MARCOS, LLC)



FINAL ACCEPTANCE OF WATER AND SEWER IMPROVEMENT FOR BLOCK "F"- ADAPTIVE RE-USE, APN 220-200-53 (URBAN VILLAGES SAN MARCOS, LLC)



DATE: APRIL 5, 2017
TO: BOARD OF DIRECTORS
SUBJECT: APPROVAL OF CONSTRUCTION AGREEMENT FOR RANCHO CORONADO CRAVEN ROAD SEWER REPLACEMENT (BROOKFIELD RANCHO CORONADO, LLC.)

BACKGROUND:

The Brookfield Rancho Coronado, LLC, owner of the project, has completed the plan check process with the District. The project is located along Craven Road south of Discovery Street and west of South Twin Oaks Valley Road.

DISCUSSION:

A Construction Agreement is typically entered between a developer and the District to ensure that the required public facilities are constructed to support the demands of the development.

The project will construct approximately 2,540 feet of 12-inch diameter PVC sewer main, 26 feet of 8-inch diameter PVC sewer main replacing the existing 8-inch sewer along Craven Road.

Based on the water and sewer study performed for the Rancho Coronado project, this portion of sewer main was required to be upsized to serve the project which will consist of 346 residential dwelling units.

All engineering fees and inspection deposits have been paid prior to Board approval of the Construction Agreement.

The owner has submitted standard surety bonds to guarantee completion of the project. The following bond amounts have been reviewed and approved by staff:

Labor and Materials	\$303,795.00
Faithful Performance	\$303,795.00

FISCAL IMPACT:

None. Future sewer revenues will offset costs of service.

RECOMMENDATION:

Approve the construction agreement for Rancho Coronado Craven Road Sewer Replacement.

APPROVAL OF CONSTRUCTION AGREEMENT FOR RANCHO CORONADO CRAVEN ROAD SEWER REPLACEMENT (BROOKFIELD RANCHO CORONADO, LLC)

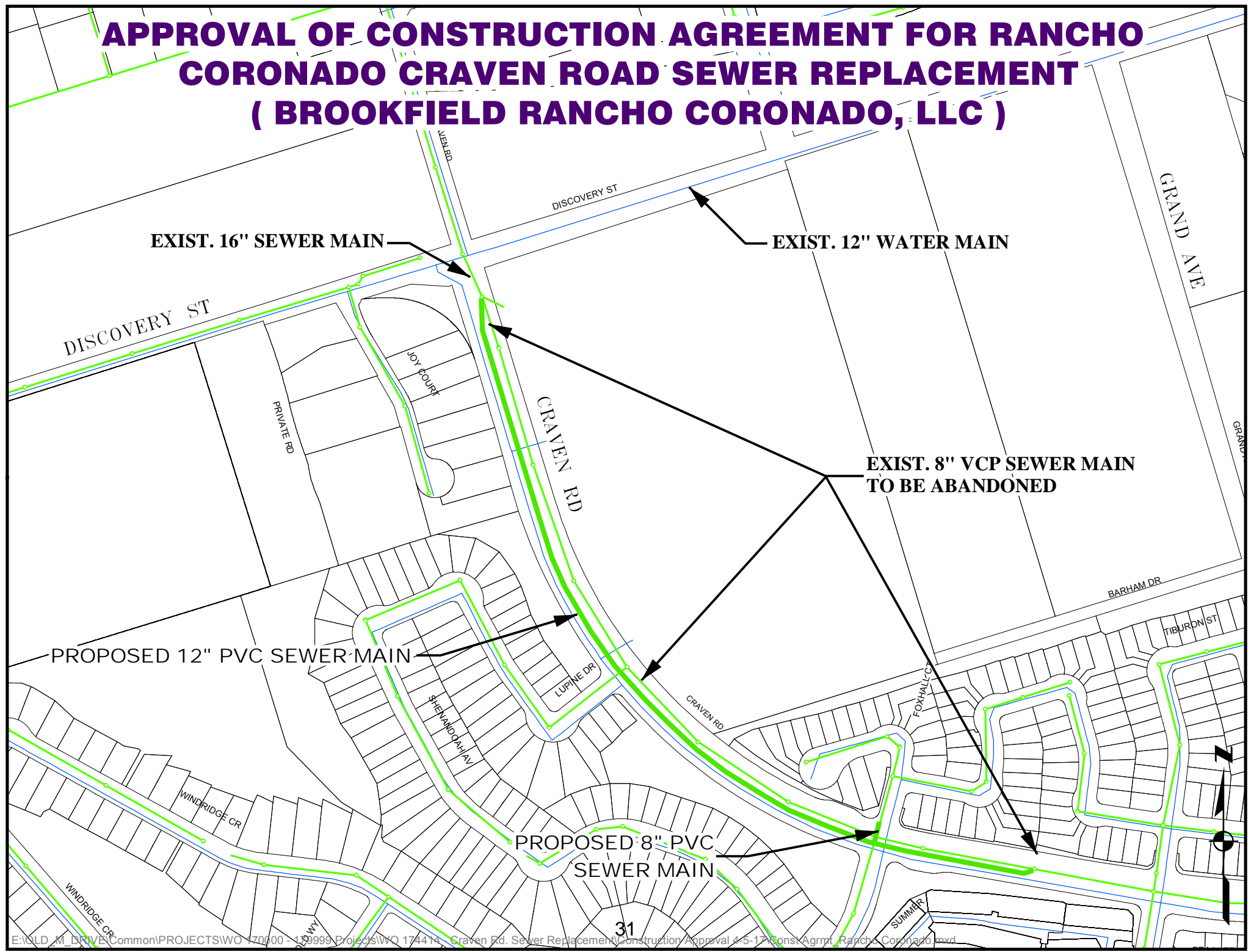
EXIST. 16" SEWER MAIN

EXIST. 12" WATER MAIN

EXIST. 8" VCP SEWER MAIN TO BE ABANDONED

PROPOSED 12" PVC SEWER MAIN

PROPOSED 8" PVC SEWER MAIN



APPROVAL OF CONSTRUCTION AGREEMENT FOR RANCHO CORONADO CRAVEN ROAD SEWER REPLACEMENT (BROOKFIELD RANCHO CORONADO, LLC)

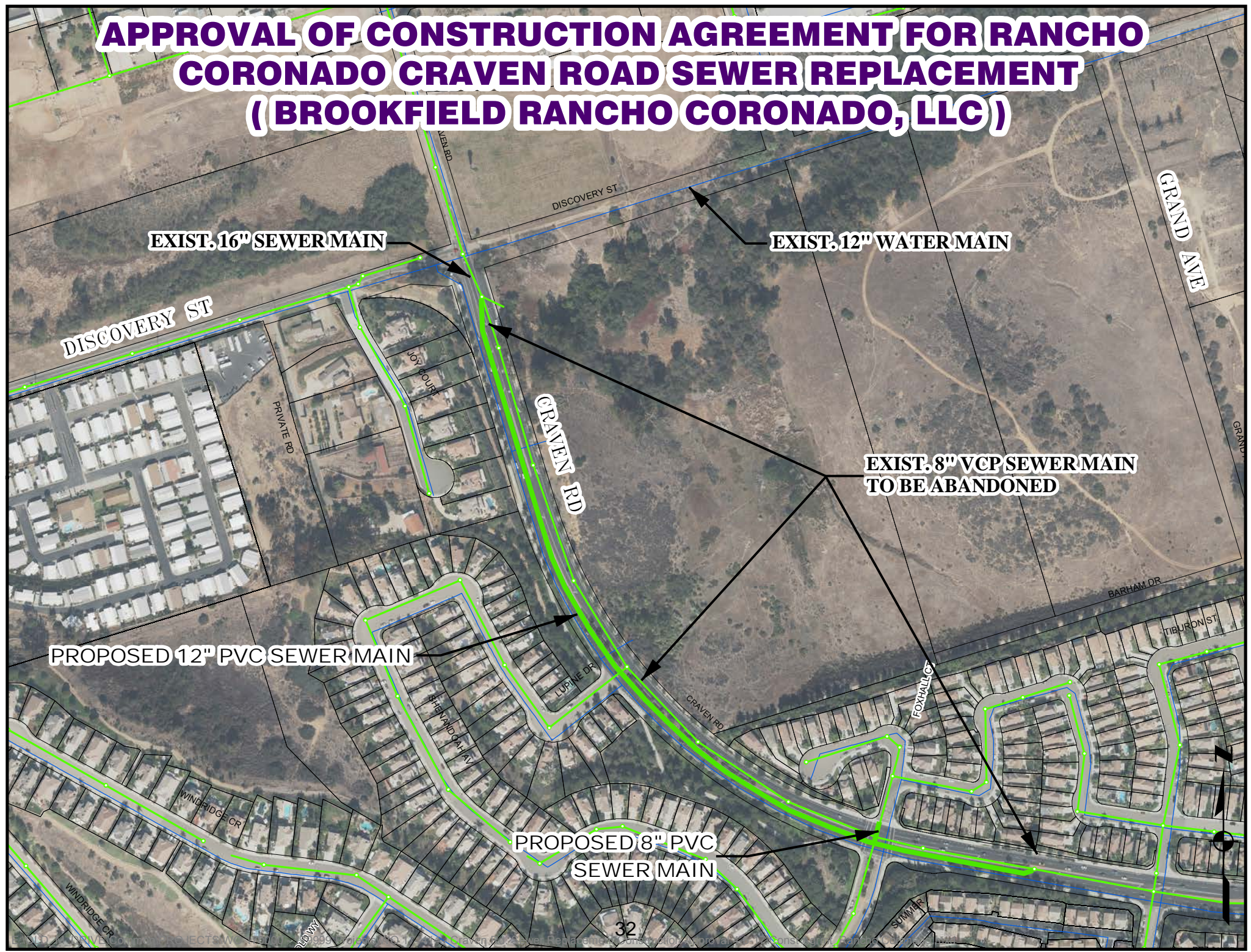
EXIST. 16" SEWER MAIN

EXIST. 12" WATER MAIN

EXIST. 8" VCP SEWER MAIN TO BE ABANDONED

PROPOSED 12" PVC SEWER MAIN

PROPOSED 8" PVC SEWER MAIN



DATE: APRIL 5, 2017
TO: BOARD OF DIRECTORS
SUBJECT: CONSTRUCTION CONTRACT AWARD OF LIFT STATION NO. 1 WET WELL REPAIRS

BACKGROUND:

The room above the Lift Station No.1 wet well room is in need of repairs due to the corrosion from the concentration of hydrogen sulfide gases. To control fugitive odors at the lift station, the main entrance to the room above the wet well room was enclosed and carbon scrubbers were added in May 2015. The beneficial reduction in odors has had the resultant side effect of increased corrosion to the metal, concrete, and masonry block surfaces within the room, including the ceiling, floors, walls, door jambs, and various fixtures. A combination of repairs, including polyurethane and epoxy coatings to the various surfaces and reinforcement of the ceiling, will prevent further deterioration.

On March 22, 2017 at 2:00 p.m., District staff received and opened bids from 3 contractors with bid results as follows:

<u>Bidder</u>	<u>Amount</u>
O'Connell Engineering	\$141,550
Tharsos Inc.	\$167,000
SCW Contracting	\$222,180

DISCUSSION:

Staff and Counsel completed the evaluation of qualifications and determined that O'Connell Engineering and Construction was the lowest responsive, responsible bidder.

Infrastructure Engineering Corporation performed the design and will provide structural inspection. Harper and Associates will provide coating inspections. The District currently has As-Needed Engineering Services contracts with both consultants.

FISCAL IMPACT:

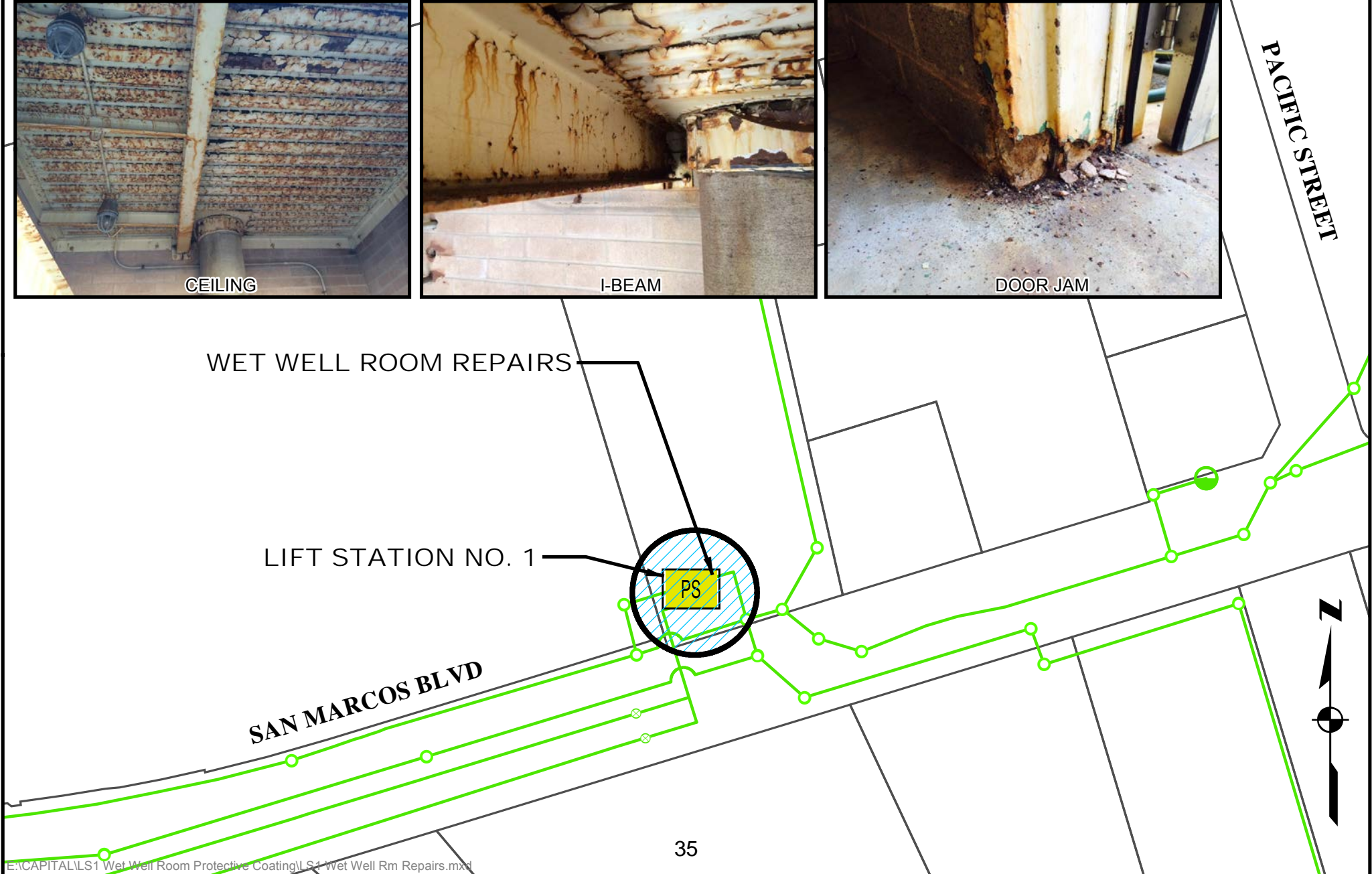
The total estimated cost and budget summary are as follows:

Budget	\$295,000
Construction	\$141,550
10% Contingency	\$ 14,155
Design Consultant	\$ 15,020
Inspection Consultants	\$ 14,368
Staff	\$ 32,782
Overhead	<u>\$ 52,544</u>
Total	\$270,419
Budget Surplus	\$ 24,581

RECOMMENDATION:

Award the construction contract to O'Connell Engineering and Construction in the amount of \$141,550 for the Lift Station 1 The Room Above Wet Well Room Repairs Project, subject to provisions of the contract.

AWARD OF LIFT STATION NO. 1 WET WELL ROOM REPAIRS



AWARD OF LIFT STATION NO. 1 WET WELL ROOM REPAIRS



PACIFIC STREET

WET WELL ROOM REPAIRS

LIFT STATION NO. 1

PS

SAN MARCOS BLVD



DATE: APRIL 5, 2017
TO: BOARD OF DIRECTORS
SUBJECT: AMENDMENT TO THE GENERAL MANAGER'S EMPLOYMENT AGREEMENT

BACKGROUND:

The General Manager and the Vallecitos Water District entered into an employment agreement on October 14, 2016. Section 3. Annual Salary, of the Agreement states that "Employee may receive such annual cost of living and merit increases in salary as may be determined by the Board of Directors in its sole discretion." Vallecitos employees recently received a Cost of Living Allowance (COLA) as specified in their Memorandum of Understanding.

DISCUSSION:

Historically, the Vallecitos General Manager received the same COLA as the general employees. Section 3 of the Agreement requires that the Board approve any cost of living allowance for the General Manager.

In order to clarify the COLA provision of the Agreement and allow the Board to retain the sole discretion over any merit increases in salary, it is recommended that the last sentence of Section 3. Annual Salary, of the Agreement be amended to read as follows:

"Employee shall receive the same cost of living adjustments as all other District employees, effective on the same date. Employee may receive merit increases in salary as may be determined by the Board of Directors in its sole discretion."

FISCAL IMPACT:

The most recent COLA for the San Diego Region, which is the basis for the adjustment of the salaries for the general employees, was 2%. The fiscal impact of this adjustment on the General Manager's salary equals \$4,240 per year.

RECOMMENDATION:

Approve the amendment to the General Manager's Employment Agreement clarifying the cost of living allowance provision in Section 3 of the Agreement.

ATTACHMENT:

1. Amendment To General Manager Employment Agreement

**AMENDMENT TO GENERAL MANAGER
EMPLOYMENT AGREEMENT**

The General Manager Employment Agreement dated November 21, 2016, between the Vallecitos Water District (“District”) and Glenn Pruim (“Employee”), is hereby amended as follows:

1. The last sentence of Section 3. is modified as follows:
“Employee shall receive the same cost of living adjustments as all other District employees, effective the same date. Employee may receive merit increases in salary as may be determined by the Board of Directors in the Board’s sole discretion.”

2. Except as expressly stated herein, the terms and conditions of the November 21, 2016 General Manager Employment Agreement are restated and shall remain in full force and effect.

3. The effective date of this amendment is April 5, 2017.

“Employee”:

“District”:

Vallecitos Water District

By _____
Glenn Pruim

By _____
Craig Elitharp,
President, Board of Directors

DATE: APRIL 5, 2017
TO: BOARD OF DIRECTORS
SUBJECT: PUMP ZONE CHARGES UPDATE AND ALTERNATIVES

BACKGROUND:

On January 18, 2017, the Board of Directors approved an increase to the pump zone charges to recover electricity costs incurred by the District in each pump zone. The increase approval was predicated on notifying all customers affected by the increase in pumping charges and providing the affected customers a chance to voice their concerns. A second notice was mailed to all pump zone customers alerting them to a public meeting being held on March 15, 2017, where pump zone charges would be discussed. A copy of the staff report from the March 15, 2017, meeting is included as Attachment 1.

At the March 15, 2017, Regular Board of Directors Meeting, numerous Coronado Hills pump zone customers voiced their disapproval of the size of the pump zone charge increase in their zone. Comments made at the meeting were considered and staff has provided the following for Board of Director consideration.

DISCUSSION:

During the March 15, 2017 meeting, an alternative approach to recover less than 100% of the electricity costs was discussed. Based on the benefits provided, 5% of the cost of the pump zone system is attributable to fire flow protection. Recovering less than 95% of the pump zone costs would shift the unrecovered portion to non-pump zone customers and could put the District at risk of a Proposition 218 challenge.

At the March 15 meeting, an approach to calculating the pump zone charges was presented that factors in the amount of water being pumped and the elevation to which it is being pumped. This approach is being referred to as the Weighted Lift Volume Approach, or WLVA. The charge to the customer would be based on how many feet in lift water needs to be pumped. A customer who lives in a zone where water is lifted 1,000 feet would see a charge per unit of water that is double that of a customer who lives in zone where water is lifted 500 feet.

Table 1, presented on March 15, 2017, summarizes current pump zone charges, charges presented to the Board on January 18, 2017 and WLVA charges based on 100% and 95% cost recovery for each pump zone. In Table 1, the acronym HGL stands for Hydraulic Grade Line, which is a measure of the elevation of the pump zone storage reservoir above sea level. Although closely correlated, the storage reservoir's HGL does not directly relate to how many feet water must be lifted in that zone.

TABLE 1
Pump Zone Charge Alternative Analysis
Weighted Lift Volume Approach (WLVA) - Power Only
April 5, 2017

# Cust	PUMP ZONE	Demand			WLVA Charge/Unit	
		FY 17-18 Projected Demand (units)	Current Charge	1/18/17 Board Presentation	100%	95%
127	1 - North Twin Oaks - 1,330 HGL	79,280	\$ 0.50	\$ 0.94	\$ 0.31	\$ 0.29
58	2 - Deer Springs - 1,235 HGL	31,941	0.20	0.47	\$ 0.22	\$ 0.21
25	3 - Coggan - 1,608 HGL	70,525	0.15	0.92	\$ 0.55	\$ 0.53
159	4 - Coronado Hills - 1,530 HGL	60,845	0.06	1.24	\$ 0.58	\$ 0.55
12	5 - Wulff - 1,588 HGL	26,990	0.58	1.02	\$ 0.52	\$ 0.49
710	6 - Palos Vista - 1,500 HGL	137,123	0.25	0.42	\$ 0.55	\$ 0.53
869	7 - School House - 1,115 HGL	223,790	0.01	0.12	\$ 0.24	\$ 0.24
797	8 - Double Peak - 1,530 HGL	263,919	0.18	0.24	\$ 0.62	\$ 0.59
125	9 - Meadowlark - 815 HGL	16,736	0.15	0.38	\$ 0.11	\$ 0.10
		911,148				

The following options to recover the electricity costs for customers who reside in the 9 pump zones are presented below for Board consideration.

OPTION "A" – Sets the pump zone charge at 95% of the WLVA. The WLVA factors in the elevation to which the water is being pumped. In this approach, the new charges which recover 95% of the pumping costs would become effective July 1, 2017. The July 2018 estimated rate would reflect the electricity cost increase proposed by SDG&E over the following year.

Option "A" 95% Of WVLA Year 1

PUMP ZONE	Current Charge	2017	July 2018 Est *
1 - North Twin Oaks - 1,330 HGL	\$ 0.50	\$0.29	\$0.30
2 - Deer Springs - 1,235 HGL	0.20	0.21	0.22
3 - Coggan - 1,608 HGL	0.15	0.53	0.56
4 - Coronado Hills - 1,530 HGL	0.06	0.55	0.58
5 - Wulff - 1,588 HGL	0.58	0.49	0.51
6 - Palos Vista - 1,500 HGL	0.25	0.53	0.56
7 - School House - 1,115 HGL	0.01	0.24	0.25
8 - Double Peak - 1,530 HGL	0.18	0.59	0.62
9 - Meadowlark - 815 HGL	0.15	0.10	0.11
10 - High Point - 1,608 HGL	0.42	N/A	N/A

* July 2018 charges are estimated based on a 4.75% increase in SDG&E rates

OPTION "B" – This option phases the pump charge adjustments over a two-year period with the goal of collecting 95% of the pumping charges during the 2018-2019 fiscal year. Option B charges are ultimately (after the July 2018 increase) the same as Option "A", with the July 1, 2017, rate being established midway between the current rates and the ultimate July 2018 rate.

Option "B" 95% of WLVA over 2 years

PUMP ZONE	Current Charge	2017 **	July 2018 Est *
1 - North Twin Oaks - 1,330 HGL	\$ 0.50	\$0.40	\$0.30
2 - Deer Springs - 1,235 HGL	0.20	0.21	0.22
3 - Coggan - 1,608 HGL	0.15	0.36	0.56
4 - Coronado Hills - 1,530 HGL	0.06	0.32	0.58
5 - Wulff - 1,588 HGL	0.58	0.55	0.51
6 - Palos Vista - 1,500 HGL	0.25	0.41	0.56
7 - School House - 1,115 HGL	0.01	0.13	0.25
8 - Double Peak - 1,530 HGL	0.18	0.40	0.62
9 - Meadowlark - 815 HGL	0.15	0.13	0.11
10 - High Point - 1,608 HGL	0.42	N/A	N/A
* July 2018 charges are estimated based on a 4.75% increase in SDG&E rates			
** 2017 charges are the average of the current charge and July 2018 charge			

ALTERNATIVE OPTIONS – Alternative options include phasing in the 95% cost recovery over a longer, pre-determined period of time or including the pump zone charge adjustments in the next overall water rate setting process, via the Proposition 218 process.

FISCAL IMPACT:

Currently, the District is only recovering 41% of electricity costs in the pump zones, which equates to approximately \$160,700 annually, compared to expenses of \$389,500 (Fiscal Year ending June 30, 2017). Implementation of Option “A” would recover approximately \$397,500 of the estimated \$413,500 in expenses for FY 2017-18. Implementation of Option “B” would recover approximately \$291,100 of the estimated \$413,500 in expenses for FY 2017-18 (70%). Both options would recover 95% of the pumping charges during FY 2018-19.

RECOMMENDATION:

Direct staff to bring forth stated options to April 20 workshop as is, or with options added or deleted. Additionally, provide staff with direction regarding which customer base should be sent letters regarding the April 20 workshop.

ATTACHMENT:

1. Staff report from March 15, 2017, Board of Directors meeting.

DATE: MARCH 15, 2017
TO: BOARD OF DIRECTORS
SUBJECT: PUMP ZONE CHARGES

BACKGROUND:

At its January 18, 2017 meeting, the Vallecitos Water District Board considered an item to change the pump zone charges. These surcharges are intended to recover the cost of electricity used to pump water to higher pressure zones in the District's service area. The fundamental policy governing this issue is that those properties benefitting from the pumping operations should pay for the cost of power to pump to these higher elevations.

At the meeting, the Board was presented with a revised pump zone surcharge schedule that was developed by looking at the electricity costs incurred in each pump zone as well as the amount of water which was pumped to the higher elevations in those zones. The calculations resulted in a table of surcharges per unit of water pumped in each zone. The table also included the current pump zone surcharges per zone and presented the difference in the existing and proposed surcharges. In each zone, the proposed surcharge was higher than the existing surcharge. The Board was also presented an option to phase in the surcharge increases. The phasing included implementing two-thirds of the increase effective immediately and the other one-third on July 1, 2017. A copy of the January 18 staff report is included as Attachment 1.

At that meeting, the Board elected to increase the surcharges per the recommended chart in one step, with no phasing. The Board also directed staff to delay any increases until the affected pump zone customers had a chance to review the proposed increase and provide feedback. Staff was directed to provide a letter to each pump zone customer to inform them of the proposed increase and to provide at least 45 days for the customers to provide feedback prior to the surcharges becoming effective.

Letters to the customers were mailed on February 28, 2017. Subsequent to delivery of the letters, pump zone customers have provided feedback in a number of ways, including telephone calls to the District's Customer Service number, District staff, Board members and City Council members, as well as letters and social media posts. As of March 8, 2017, the Customer Service department has received approximately 20 calls regarding this issue. The primary concerns raised by the customers relate to the amount of the increase, the short notice provided and the lack of any phasing in the establishment of new surcharges. The majority of complaints were generated in the Coronado Hills pump zone, which would have seen the largest charge increase.

DISCUSSION:

The purpose of this item is to provide the Board and the public an opportunity to discuss pump zone surcharges before implementation. In a complex water distribution system, with large volumes of water being pumped to a variety of customers in numerous pump zones, there is not one specific way to calculate and allocate the surcharges. Fundamentally, however, the basic premise applies that customers who receive a benefit not received by other customers should pay for that benefit.

Given the interconnected nature of the District's water storage and distribution system, and the various water supply sources and delivery systems, it can be argued that not all pump zone operations solely benefit those customers in the designated pump zones.

At the meeting on March 15, 2017, staff will present the Board with several different options regarding how these pump zone surcharges should be allocated. The options may include allocating costs based on:

- The actual electricity costs, number of customers and water delivered within a specific pump zone
- All customers in the pump zones sharing in the pumping costs based on a combination of how much water is pumped to each zone and how high the zone is (weighted lift-volume approach)
- All customers in the pump zones equally sharing the pumping costs based solely on how much water is pumped to that zone
- All customers in the District sharing in the costs associated with pumping water to higher elevations
- Customers in non-pump zones (lower elevations) sharing in the pumping costs in a manner relative to the benefits they could receive from having water stored at higher elevations

In addition to providing staff direction on the preferred alternative for allocating the pumping costs, staff is seeking direction on the timing/phasing of the implementation of revised pumping cost recovery.

RECOMMENDATIONS:

Staff is seeking direction on the Board's preferred methodology of pump charge allocation as well as direction as to when the surcharges should become effective and whether there should be a phased implementation for the revised surcharges.

Attachment 1

DATE: JANUARY 18, 2017
TO: BOARD OF DIRECTORS
SUBJECT: PROPOSED PUMP ZONE CHARGES FOR CALENDAR YEAR 2017

BACKGROUND:

The District established ten pump zones, servicing approximately 2,867 customers, to recover the cost of electricity related to pumping water to higher elevation customers. Only customers directly benefiting from the additional cost of pumping are charged the actual power cost for water delivered.

Pump zone charges were last adjusted on July 1, 2015 (Current pump zone charges and expenses are listed on Table 1). Traditionally, adjustments to the pump zone charges occur every July.

DISCUSSION:

Pump zone charges are determined by tracking the actual SDG&E power costs to provide the service to the respective pump zone. Over the past several years, the pump zone charges have not kept pace with the escalating cost of electricity required to pump water to the higher elevations, resulting in a deficit of approximately \$319,000 as of November 30, 2016. The deficit is growing by about \$20,000 per month.

Graph 1 shows the historical revenues (green bar) compared to the cost of electricity (purple bar) as well as the overall surplus/deficit (red line).

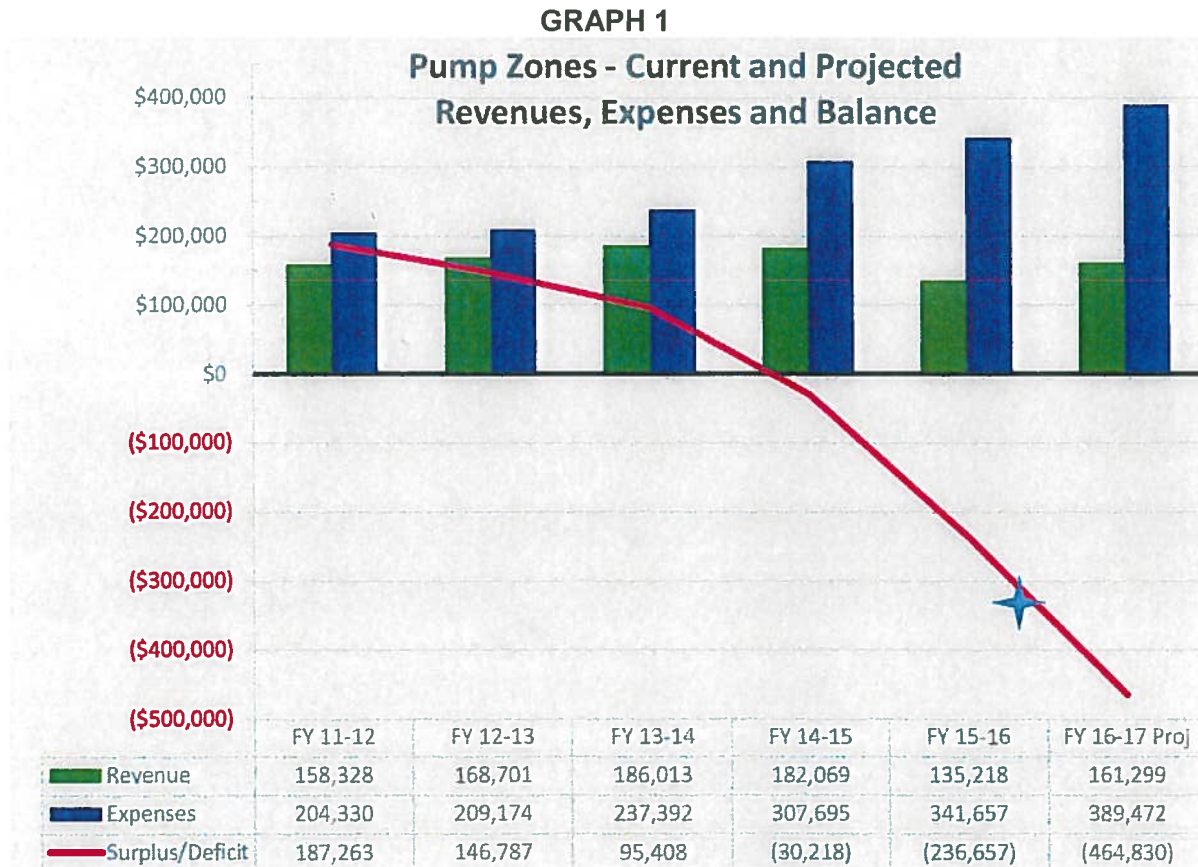


Table 1 displays the existing customer charge per unit of pumped water as well as the SDG&E calculated expense per zone. In all ten of the pump zones, the current charge passed on to the

customer is below the cost of providing the service. Customers in these zones have been subsidized by customers outside of the pump zones. (HGL = Hydraulic Grade Line)

TABLE 1

# of Meters	PUMP ZONE	Existing Charge	SDG&E Calculated Expense	Per Unit Shortage
127	1 - North Twin Oaks - 1,330 HGL	\$0.50	\$0.94	\$0.44
58	2 - Deer Springs - 1,235 HGL	0.20	0.47	0.27
25	3 - Coggan - 1,608 HGL	0.15	0.92	0.77
159	4 - Coronado Hills - 1,530 HGL	0.06	1.24	1.18
12	5 - Wulff - 1,588 HGL	0.58	1.02	0.44
710	6 - Palos Vista - 1,500 HGL	0.25	0.42	0.17
869	7 - School House - 1,115 HGL	0.01	0.12	0.11
797	8 - Double Peak - 1,530 HGL	0.18	0.24	0.06
125	9 - MeadowMark - 815 HGL	0.15	0.38	0.23
0	10 - High Point - 1,608 HGL	0.42	0.45	0.03

Currently the average customer in a pump zone (defined as a 5/8" meter using 12 units of water/month) has a combined water/sewer bill of approximately \$116.50/month. Passing through the entire SDG&E expense (Table 1) effective January 1, 2017 would increase the average customer's bill by approximately \$2.40/month.

An alternative to full cost recovery would be to only pass through 2/3 of the difference between the actual SDG&E power cost and the existing pump zone charges effective January 1, 2017 as shown in Table 2. The adjustment for the remaining 1/3 difference would be effective July 1, 2017. This alternative would increase the deficit by about \$11,000 per month for an overall projected deficit of \$414,000 at fiscal year-end.

TABLE 2

# of Meters	PUMP ZONE	Current	Alternative 2	
		Existing Charge	Per Unit Charge Jan 1, 2017	Per Unit Charge Jul 1, 2017
127	1 - North Twin Oaks - 1,330 HGL	\$0.50	\$0.79	\$0.94
58	2 - Deer Springs - 1,235 HGL	0.20	0.38	0.47
25	3 - Coggan - 1,608 HGL	0.15	0.66	0.92
159	4 - Coronado Hills - 1,530 HGL	0.06	0.84	1.24
12	5 - Wulff - 1,549 HGL	0.58	0.87	1.02
710	6 - Palos Vista - 1,500 HGL	0.25	0.36	0.42
869	7 - San Elijo - 1,115 HGL	0.01	0.08	0.12
797	8 - Double Peaks - 1,530 HGL	0.18	0.22	0.24
125	9 - Meadowmark - 815 HGL	0.15	0.30	0.38
0	10 - High Point - 1,608 HGL	0.42	0.44	0.45

Future year pass through adjustments will be effective annually on July 1st based on the previous year's actual average energy cost of pumping water to each of the individual pump zones.

FISCAL IMPACT:

The adopted budget for fiscal year 2016/17 included \$300,000 in pumping charge revenue.

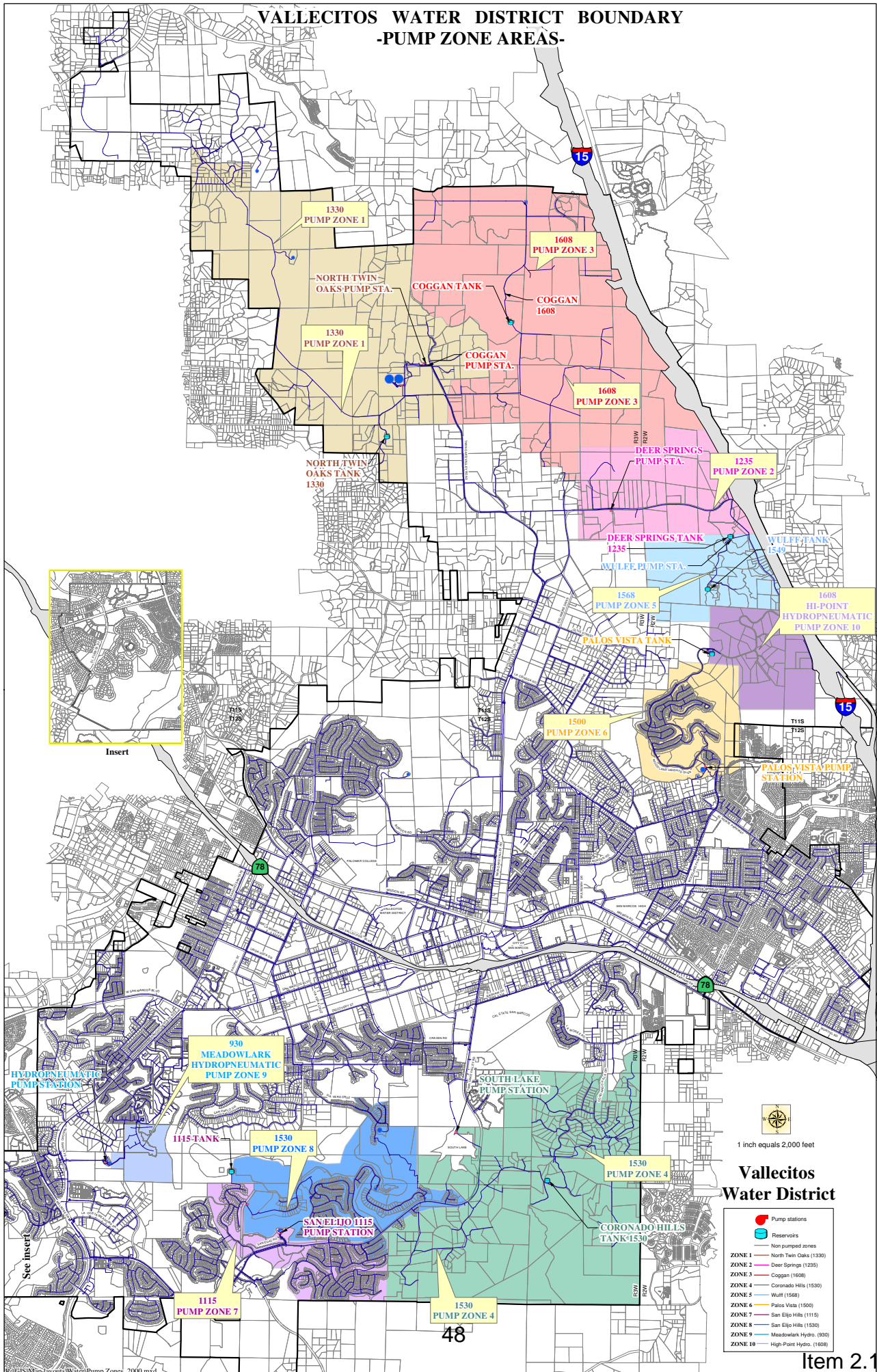
Adopting the pass through charges as shown in Table 1 (effective January 1, 2017 for bills mailed out after February 1, 2017) would recover pumping charges of approximately \$237,000, which is \$63,000 less than budgeted

Adopting the pass through charges as shown in Table 2 (effective January 1, 2017 for bills mailed out after February 1, 2017) would recover pumping charges of approximately \$211,000 which is \$89,000 less than budgeted.

RECOMMENDATION:

Staff recommends adoption of either Alternative 1 (Table 1) or Alternative 2 (Table 2) to be effective January 1, 2017 for bills mailed after February 1, 2017 and authorize staff to adjust pumping charges annually on July 1st to allow for full cost recovery.

VALLECITOS WATER DISTRICT BOUNDARY -PUMP ZONE AREAS-





2017 PUBLIC POLICY FORUM

APRIL 19 • SUTTER CLUB • 1220 9TH STREET • SACRAMENTO, CA

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Preliminary Program

Wednesday, April 19th, 8:00 a.m. – 5:00 p.m.

8:00 - 9:00 a.m. Continental Breakfast and Registration

9:00 - 9:10 a.m. **Welcome**
CASA Vice President Paul Bushee
WateReuse CA President Grant Davis

9:10 – 9:30 a.m. **Senator Henry Stern***
Senator Stern is a freshman Senator from Calabasas, representing California Senate District 27. Prior to being elected, Senator Stern was a senior policy advisor to former Senator Fran Pavley. Senator Stern sits on several key committees overseeing CASA and WateReuse issues, including the Senate Environmental Quality Committee, the Senate Natural Resources and Water Committee, and the Senate Energy, Utilities and Communications Committee.

9:30 – 9:45 a.m. **Assembly Member Bill Quirk**
Assembly Member Quirk is Chair of the Assembly Environmental Safety and Toxic Materials Committee, which has jurisdiction over bills relating to toxic substances and hazardous materials, drinking water regulation, and pesticides. Assembly Member Quirk is the author of WateReuse California and California Coastkeeper Alliance’s sponsored legislation, AB 574 (Quirk), which will help facilitate the development of all types of potable reuse in California.

9:45 – 10:15 a.m. **Panel Update on Direct Potable Reuse Report and Legislation**
Jennifer West, Managing Director, WateReuse California
Sean Bothwell, California Coastkeeper Alliance

10:15-10:30 a.m. **Assembly Republican Leader Chad Mayes***
Assembly Members Mayes is the Assembly Republican Leader. In this role he negotiates for his caucus with the Governor and legislative Democrats on major policy and fiscal issues, leads its political and campaign efforts, and is its principal spokesperson.

10:30 – 11:15 p.m. **Capitol Visit Team Preparation: 2017 Key Legislation and Priority Issues Briefing**

11:15 – 11:45 a.m. **Assembly Member Eduardo Garcia***
Assembly Member Eduardo Garcia is Chair of the Assembly Committee on Water, Parks, and Wildlife, which has primary jurisdiction over water resources, flood management, fish and game, parks and recreation, and wildlife. Assembly Member Garcia represents Assembly District 56, which encompasses the inland empire, including the Coachella Valley and Salton Sea.

12:00 - 1:00 p.m. **Luncheon**

1:00 - 5:00 p.m. **Capitol Visits:** Prearranged visits with team leaders to Capitol legislative offices.

*Invited