

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, SEPTEMBER 7, 2016, AT 5:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

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

Director Hernandez led the pledge of allegiance.

Present: Director Evans
Director Hernandez
Director Martin
Director Sannella

Absent: Director Elitharp

Staff Present: Interim General Manager Scaglione
Legal Counsel Scott
Administrative Services Manager Emmanuel
District Engineer Gumpel
Finance Manager Fusco
Operations & Maintenance Manager Pedrazzi
Development Services Senior Engineer Scholl
Accounting Supervisor Owen
Executive Secretary Posvar
Administrative Secretary Johnson

ADOPT AGENDA FOR THE REGULAR MEETING OF SEPTEMBER 7, 2016

16-09-01 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, with Director Elitharp absent, to adopt the agenda for the Regular Board Meeting of September 7, 2016.

PRESENTATIONS

President Sannella presented Christopher “Chris” Deering, Wastewater Treatment Plant Operator II, with his Certificate of Competence for Grade III Wastewater Treatment Plant Operator from the State Water Resources Control Board.

President Sannella presented Rhondi Emmanuel, Administrative Services Manager, with her plaque for completing the ACWA JPIA Human Resources Certification Program. He also provided Bridget Anderson with her plaque for completing the ACWA JPIA Supervisor Basics and Human Resources Certificate Program.

Joseph Masso, Outreach and Communications Manager for Citizens for a Better San Diego, provided a presentation on the SANDAG sales tax measure, officially designated as Measure A.

PUBLIC COMMENT

Mike Hunsaker, member of the public, addressed the Board as a representative of the Twin Oaks Valley Property Owners Association, stating concerns about the scheduling of the Newland Sierra project, the timing of the September 21 Board meeting, and Measure A. He suggested the Board hear presentations against it as well as for it.

CONSENT CALENDAR

16-09-02 MOTION WAS MADE by Director Martin, seconded by Director Evans, and carried unanimously, with Director Elitharp absent, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

A. Regular Board Meeting – August 17, 2016

1.2 Warrant List through September 7, 2016 - \$1,733,641.48

PUBLIC HEARING

PUBLIC HEARING FOR REPORT ON DISTRICT WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS

President Sannella opened the hearing as duly noted and posted. The hearing was opened at 5:18 pm.

Interim General Manager Scaglione stated the law requires the District to hold a public hearing for the purpose of hearing and responding to comment regarding the Public Health Goals Report.

There being no persons wishing to address the Board, President Sannella closed the hearing at 5:19 pm.

16-09-03 MOTION WAS MADE by Director Martin, seconded by Director Evans, and carried unanimously, with Director Elitharp absent, to accept the Public Health Goals Report.

ACTION ITEMS

REQUEST FOR ANNEXATION OF APN'S 182-270-24 & 182-270-25 FORMERLY 182-270-03 INTO THE WATER DISTRICT (COLUCCI)

Development Services Senior Engineer Scholl stated the Colucci property address is 2534 N. Twin Oaks Valley Road in San Marcos. The 7.34 acre property is currently within the Vallecitos Water District (VWD) Sphere of Influence, but in the Vista Irrigation

District (VID) water service boundary and is receiving water service from VWD through an exchange agreement with VID. The exchange agreement was recorded on September 2, 1987 when the Assessor Parcel Number (APN) was 182-270-03. The owners of property have proposed the construction of two single family homes. VID has no existing facilities in this area and is unable to service this project. In 2014, a boundary adjustment was completed through the County of San Diego that adjusted the boundary splitting APN 182-270-03 into two APNs. The boundary adjustment has effectively invalidated the exchange agreement.

Staff recommended the Board approve the annexation of APNs 182-270-24 & 25 into the water service area with the following conditions:

1. Payment of water annexation fee of \$4,744.00 per acre (7.34 acre) = \$34,820.96.
2. Payment of State Board of Equalization fee of \$500.00.
3. Submittal of a copy of title report (initiated or updated within the last six months) showing ownership.
4. Submittal of a geographic description of the property including a plat map and a disc or flash drive.
5. Completion of the annexation with LAFCO.
6. Completion of detachment procedures with Vista Irrigation District (VID).
7. Completion of the annexation within 90 days of Board approval. If annexation is not completed within the 90 days of Board approval, a new request for annexation may be required.
8. Payment of all capacity fees required for connection as required by the District.

General discussion took place.

Mike Hunsaker, member of the public, addressed the Board stating he supports this annexation and asked why some are annexed and others not. He thanked the Board.

Interim General Manager Scaglione stated that annexations are considered upon a property owner's request.

General discussion took place during which it was clarified that the District does not force annexation on property owners, and that annexation fees are paid by the requesting property owner.

16-09-04 MOTION WAS MADE by Director Evans, seconded by Director Hernandez, and carried unanimously, with Director Elitharp absent, to approve the annexation with conditions as presented.

AWARD OF CONSTRUCTION CONTRACTS FOR THE REPAIR OF ASPHALT ROADS

Operations & Maintenance Manager Pedrazzi stated there are a large number of temporary patches on asphalt roads that currently require permanent repair. District

staff compiled the needed repairs into two separate lists: one contains 35 patches from areas requiring a small amount of repair and the other contains 12 patches from areas requiring a large amount of repair.

District staff requested bids from eight local paving companies for the paving of the 47 patches on the two lists. Of the two paving companies who submitted bids, it was determined that Medina Construction Company was the lowest, most responsive bidder for both asphalt repair lists. Construction management will be performed by District staff.

Staff recommended the Board award the two contracts to Medina Construction Company for a total of \$210,862, subject to provisions of the contracts.

General discussion took place.

16-09-05 MOTION WAS MADE by Director Evans, seconded by Director Martin, and carried unanimously, with Director Elitharp absent, to award the two contracts to Medina Construction Company for a total of \$210,862, subject to provisions of the contracts.

LIFT STATION NO. 1 FACILITY SITE

District Engineer Gumpel provided historical background on Lift Station No. 1, stating it was built in 1969, has been upgraded several times, and has a current pumping capacity of 3,100 gallons per minutes. Of the 2.96 acre property, 0.5 acres houses the District's main sewer lift station, a sewer diversion structure, a Vactor truck sewer disposal station, and an odor control chemical storage tank. The property is currently zoned for Mixed Use – Business/Industrial.

General discussion took place during which Engineer Gumpel stated the District has received several inquiries from the City of San Marcos and contractors regarding rental of the site for use as a construction staging area.

This item was presented for discussion only.

VALLECITOS WATER DISTRICT AVOCADO GROVE PROPERTY

District Engineer Gumpel stated the District purchased the 13.26 acre property in 2006 in anticipation of constructing a 2.4 million gallon reservoir for the Wulff pressure zone on the site. After further evaluation, the District determined the Wulff pressure zone could be served by a smaller tank on the existing Wulff Tank site, eliminating the need for the reservoir project and the property. The District has been maintaining the avocado grove on the property since 2006. The site is currently zoned by the County as Semi-Rural Residential which allows a maximum of one dwelling unit per 10 acres.

General discussion took place.

Interim General Manager Scaglione stated the property value of the parcel has decreased dramatically since it was purchased and the District waited to sell until the property value increased. The value has never increased near what the property was purchased for, and with the cost of maintaining the grove, the District has been actively trying to sell the property for the past year without success. A new offer was received this week.

General discussion took place.

This item was presented for discussion only.

SOLAR PROJECT FEASIBILITY

Accounting Supervisor Owen provided the Board with an update on staff's research on the possibility of a solar project at the Twin Oaks Reservoir site. TerraVerde Renewable Partners had previously prepared the Solar Project Pro Forma Study for the District. They will be meeting with staff to discuss updating the report and preparing a full proposal of the scope of work involved to perform a feasibility study.

General discussion took place during which Director Hernandez suggested including sites near tanks in the scope of work for the feasibility study.

This item was presented for information only.

SUCCESSION PLAN

Interim General Manager Scaglione stated the purpose of the District's succession plan is to ensure the continuity of all key positions. It is part of the District's Strategic Plan, Focus Area 3, Continuous Improvement and Workforce Development, and provides continuity and sustainability by being prepared for the future.

He further stated 24 key positions have been identified consisting of all management and supervisory positions and some professional and highly technical positions. Of the 24 key positions, employees in 12 positions are eligible for retirement, 16 have potential successors, several with more than one employee as a possible candidate, and 6 have no potential successors at this time.

Interim General Manager Scaglione discussed the process whereby internal candidates were interviewed to determine their interest in future opportunities and willingness to participate in their own training and development. An Individual Development Plan was developed for each internal candidate which included a review of the position's minimum qualifications (experience, education, training, licenses, and certifications) and other knowledge, skills, and abilities that would need to be further developed. Development plans include formal training, on-the-job training, mentoring, and job shadowing.

General discussion took place.

Mike Hunsaker, member of the public, addressed the Board opposing succession plans. He thanked the Board.

This item was presented for discussion only.

REPORTS

INTERIM GENERAL MANAGER

Interim General Manager Scaglione provided a follow up to Director Martin's question at the August 17 Board meeting regarding incentivizing customers' use of the District's electronic billing system. If a customer signs up for electronic billing, the \$10 sign-up fee is waived. The net savings to the District is approximately \$.38 per month after paying expenses to maintain the electronic billing system, software, and vendors.

General discussion took place during which Finance Manager Fusco explained that \$.30 is the marginal difference between what it costs to have a customer on an electronic billing and to mail the customer a bill.

DISTRICT LEGAL COUNSEL

Legal Counsel Scott reported on the recent passage of SB 814 relating to additional actions urban retailer water suppliers can take to penalize excessive water users during times of declared drought or water shortages.

Mike Hunsaker, member of the public, distributed a letter to Legal Counsel Scott and the Board requesting a legal opinion regarding water related issues.

SAN DIEGO COUNTY WATER AUTHORITY

Director Evans reported on her attendance to a legislative roundtable last week at which Congressman Scott Peters was a speaker.

Director Evans reported on her attendance to the SDCWA Board meeting at which discussion took place regarding emergency storage projects. The County has the capacity to store 746,000 Acre Feet (AF) of water. In spite of the drought, we have 20% more water now than the same time last year. The SDCWA owns 197,000 AF of capacity and currently has 168,000 AF available. Using this information in order to project future supply and demand, the SDCWA has adequate supply going into 2040.

Director Evans stated the San Vicente Dam recently won a global award of merit for an emergency carryover project.

Director Evans commented on the increase in reliability of diversification in San Diego County. In 1991, 95% of the County's water came from Metropolitan Water District (MWD). In 2015, 57% was from MWD, 19% from the Imperial Irrigation District (IID), 15% from Coachella Valley Canal Lining, 5% from groundwater, and the rest from local and recycled. It is anticipated that by 2035 only 13% will come from MWD and 29% from IID; the rest will come from potable reuse.

General discussion took place.

Director Evans stated the SDCWA is beginning a facility study for emergency pump storage at San Vicente Dam which could create the opportunity to produce power.

ENCINA WASTEWATER AUTHORITY

None.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Directors Martin and Hernandez reported on their attendance to the Urban Water Institute Water Conference August 24-26.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Hernandez requested a trip to Santee Lakes be scheduled for the Board to look at their storage and reclaimed facility. Staff will contact the General Manager of Padre Dam Municipal Water District regarding available dates for the trip.

Director Evans asked if the Little Hoover Commission has indicated what they are going to be focusing on. Legal Counsel Scott stated the focus appears to be health care districts that don't operate hospitals.

CLOSED SESSION

PERSONNEL MATTERS PURSUANT TO GOVERNMENT CODE SECTION 54957(b) – TO CONSIDER APPOINTMENT OR EMPLOYMENT OF A PUBLIC EMPLOYEE

16-09-06 MOTION WAS MADE by Director Evans, seconded by Director Martin, and carried unanimously, with Director Elitharp absent, to move into Closed Session pursuant to Government Code Sections 54957(b).

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at the hour of 8:02 p.m. The Board, in Closed Session, continued discussion of the appointment of a new General Manager and took no action.

ADJOURNMENT

There being no further business to discuss, President Sannella adjourned the Regular Meeting of the Board of Directors at the hour of 8:03 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, September 21, 2016, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

Michael A. Sannella, President
Board of Directors
Vallecitos Water District

ATTEST:

Tom Scaglione, Secretary
Board of Directors
Vallecitos Water District