

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, NOVEMBER 2, 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 Elitharp led the pledge of allegiance.

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

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

ADOPT AGENDA FOR THE REGULAR MEETING OF NOVEMBER 2, 2016

16-11-01 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, to adopt the agenda for the Regular Board Meeting of November 2, 2016.

PUBLIC COMMENT

Mike Hunsaker, member of the public, addressed the Board commenting on the 2008 recession, financial system melt-down, derivatives, and Proposition 218.

Mr. Hunsaker presented an analysis on the fairness of the rate structure, the usage factors which determine rates, differences between the assumed values and the measured values, and overcharging.

Mr. Hunsaker stated that he fully supports the Newland Sierra lawsuit and expressed concerns regarding taking water from existing ratepayers and giving it to development and another lawsuit that Newland Sierra has regarding the climate change and computations of greenhouse gases. He thanked the Board.

CONSENT CALENDAR

16-11-02 MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried unanimously, to approve the Consent Calendar as presented.

- 1.1 Approval of Minutes
 - A. Special Board Meeting – October 12, 2016
 - B. Regular Board Meeting – October 19, 2016
- 1.2 Warrant List through November 2, 2016 - \$2,297,574.57
- 1.3 Financial Report
 - A. Quarterly Financial Report – September 30, 2016
- 1.4 Approval of Construction Agreement for Woodward Senior Housing, APN: 218-120-31 (Coastal Active Living, LLC)
- 1.5 Approval of Construction Agreement for Quarry Road Nursery, APN: 178-170-08 (Thirdsies, LLC C/O Otay Real Estate Company)
- 1.6 Approval of Construction Agreement for San Elijo Hills, Phase V, P.A. "O", Unit 7, APN: 679-221-17 (San Elijo Hills Development Company, LLC)

ACTION ITEMS

None.

REPORTS

INTERIM GENERAL MANAGER

Interim General Manager Scaglione stated the Engineering Committee meeting is scheduled for November 8 at 1:30 to review beginnings of the Master Plan as well as studies. He further stated that there are no upcoming action items for the November 16 Board meeting and requested consensus of the Board to cancel the meeting.

Interim General Manager Scaglione stated that the draft audit report will be completed approximately by November 14. At that time, dates will be considered for a Finance Committee meeting to review the audited financial statements.

DISTRICT LEGAL COUNSEL

None.

SAN DIEGO COUNTY WATER AUTHORITY

Director Evans reported on her attendance to the October 27 Board meeting. The SDCWA does not anticipate any more conservation cutbacks through this year. However, the Governor, the State Water Resources Control Board and the Department of Water Resources are all considering reinstating conservation cutbacks in January.

They are also closely monitoring the push towards new targets on a statewide basis which would include indoor, outdoor, commercial and agricultural water use.

Director Evans stated that the SDCWA is applying for a \$5.2 million grant to be applied to nine projects within the county for disadvantaged communities.

ENCINA WASTEWATER AUTHORITY

Director Hernandez stated the Capital Improvement Committee meeting will be held on November 9.

Director Elitharp reported on the Policy and Finance Committee meeting stating that the committee was provided an update on the CalPERS side fund pay down and the California Employer's Retiree Benefit Trust quarterly report.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Martin reported on his attendance to the district's water academy.

Directors Martin, Elitharp and Hernandez reported on their attendance to the ACWA Region 10 meeting of which the topic was Advanced Water Purification: The Road to Resilience.

Director Elitharp reported on his attendance to the American Water Works Association fall conference.

OTHER BUSINESS

QUARTERLY BOARD EXPENSES

This information was provided per Ordinance No. 201; no action required.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

CLOSED SESSION

PERSONNEL MATTERS PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (ONE CASE)

Golden Door v. Vallecitos Water District et. al. San Diego Superior Court
North County Division Case No. 37-2016-00037559-CU-WM-NC

16-11-03 MOTION WAS MADE by Director Hernandez, seconded by Director Martin, and carried unanimously, to move into Closed Session pursuant to Government Code Section 54956.9(a).

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at the hour of 6:18 p.m. The Board, in Closed Session, directed Counsel to take appropriate action concerning the pending litigation matter.

ADJOURNMENT

There being no further business to discuss, President Sannella adjourned the Regular Meeting of the Board of Directors at the hour of 6:19 p.m.

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