

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, MARCH 16, 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 Martin led the pledge of allegiance.

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

Staff Present: General Manager Lamb
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
Development Services Senior Engineer Scholl
Capital Facilities Engineer Santos
Accounting Supervisor Owen
Public Information/Conservation Supervisor Robbins
Executive Secretary Posvar
Administrative Secretary Johnson

Others Present: Maureen Stapleton, General Manager, San Diego County Water Authority

President Sannella stated he wanted to add a Closed Session item to the agenda in accordance with Government Code Section 54954.2(b)(2). The matter involves on-going labor negotiations with the Employees Association, pursuant to Government Code Section 54957.6. The item arose subsequent to the posting of the agenda and there is need for immediate action. He needed a 4/5 vote to add the following item to the Closed Session:

CONFERENCE WITH LABOR NEGOTIATOR PURSUANT TO GOVERNMENT CODE SECTION 54957.6

Negotiator: General Manager
Employee Organization: Vallecitos Water District Employee's Association

16-03-06 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, to add an additional item to the agenda for Closed Session pursuant to Government Code Section 54954.2(b)(2) – Conference with labor negotiator pursuant to Government Code Section 54957.6.

ADOPT AGENDA FOR THE REGULAR MEETING OF MARCH 16, 2016

16-03-07 MOTION WAS MADE by Director Martin, seconded by Director Evans, and carried unanimously, to adopt the agenda for the Regular Board Meeting of March 16, 2016 as amended.

PRESENTATIONS

Maureen Stapleton, General Manager, San Diego County Water Authority, provided an update on key water issues as well as the Metropolitan Water District litigation as follows:

- Metropolitan Water District (MWD) Rate Litigation Update
- Water Supply Reliability
- State Emergency Drought Regulation
- Urban Water Management Plan

General discussion took place.

Collection Systems Department Presentation

Collection Systems Worker I Patrick Barreiro facilitated the presentation as follows:

- Collections Daily Tasks
- Department Facts
- Daily SCADA Rounds and eLogger Check
- Applying Enzymes for F.O.G.
- Injury Prevention
- CCTV Inspection Unit
- CCTV Inspection
- CCTV/t4- Spatial Inspection
- Attitude is Everything!
- Collection Systems Department Vehicles
- Routine Cleaning
- Carbon Scrubbers
- Collection Systems Department Spill Response Trailer
- Smoke Testing
- Collection Systems Department Goals

General discussion took place.

This presentation was for information only.

ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

16-03-08 MOTION WAS MADE by Director Hernandez, seconded by Director Martin, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Finance/Investment Committee Meeting – February 29, 2016
- B. Regular Board Meeting – March 2, 2016
- C. Engineering/Equipment Committee Meeting – March 7, 2016

1.2 Warrant List through March 16, 2016 - \$914,248.66

1.3 Financial Reports

- A. Water Meter Count – February 29, 2016
- B. Water Production/Sales Report – 2015/2016
- C. Water Revenue and Expense Report – February 29, 2016
- D. Sewer Revenue and Expense Report – February 29, 2016
- E. Reserve Funds Activity – February 29, 2016
- F. Investment Report – February 29, 2016

1.4 Final Acceptance of Water and Sewer Improvements for Promenade at Creekside; APN: 219-270-68 & 219-270-69 (Promenade at Creekside Housing Partners, LP)

Director Martin commented on the Finance/Investment Committee meeting minutes. He requested Ordinance No. 197 be placed on the next Regular Board agenda for consideration to require all pertinent information for policy decisions be provided to the Board 48 hours prior to the Board meeting, and if this is not possible, the agenda item should be tabled to the next Regular Board meeting.

ACTION ITEMS

DROUGHT UPDATE

Public Information/Conservation Supervisor Robbins stated the National Weather Service noted that last month was the warmest February in San Diego since record-keeping began in 1875. March may prove to be a turning point. With rain totals reaching 10 inches or more in some mountain areas, 46 of the largest reservoirs in California collectively added 391 billion gallons of water during storms in early March.

He provided the following update for the month of February:

- The District's February 2016 water production decreased 7.9 percent from February 2015, but increased 11.6 percent from February 2013.
- In February 2016, customers used 78.4 gallons per day compared to February 2015, when customers used 81.2 gallons per day.
- Since the mandate, Vallecitos has achieved a 26 percent water conservation reduction. The District submitted information to the SWRCB on February 19, 2016, requesting a supply credit of eight percent for the desalinated water the District purchases from the San Diego County Water Authority.

Public Information/Conservation Supervisor Robbins stated the District has received the District of Distinction Award and the District Transparency Award from the California Special Districts Association (CSDA).

Discussion took place as to when representatives from CSDA could present the awards in person to the District. The consensus of the Board was to schedule the award presentation for the April 20 Regular Board meeting and to initiate a press release after the presentation has taken place.

General discussion took place.

This item was presented for information only.

ENGINEERING SERVICES AGREEMENT – CHLORINE CONTACT TANK (CCT) EXPANSION PROJECT

Director Elitharp stated he has a potential conflict of interest regarding this item due to his employment arrangement with Kennedy/Jenks Consultants, and recused himself from participating in the discussion. He left the meeting at 6:53 p.m.

District Engineer Gumpel stated the chlorine contact tanks (CCTs) at Meadowlark Water Reclamation Facility (MRF) can process up to 5 million gallons per day (MGD) of reclaimed water; all of the other treatment components at MRF have the ability to process up to 6.5 MGD. Without the constraint to the CCTs, MRF has the ability to increase the daily treatment capacity to 6.5 MGD. The District, as a member of the North San Diego County Water Reuse Coalition, secured a grant of \$90,000 under Prop 84, awarded by the State Water Resources Control Board (SWRCB), to plan and design an expansion of the water reclamation systems.

Kennedy/Jenks Consultants was selected from the District's As-Needed Engineering Services Consultants list to propose an assessment of alternative disinfection systems and assist the District with selecting a preferred final design to facilitate expansion of the facility to approximately 6.5 MGD.

Staff recommended the Board approve a Professional Services Agreement with Kennedy/Jenks Consultants in the amount of \$119,100 for the Preliminary Design Report for the Chlorine Contact Tank Expansion Project.

General discussion took place.

16-03-09 MOTION WAS MADE by Director Hernandez, seconded by Director Martin and carried unanimously, with Director Elitharp recused, to approve the Professional Services Agreement with Kennedy/Jenks Consultants in the amount of \$119,100 for the Preliminary Design Report for the Chlorine Contact Tank Expansion Project.

Director Elitharp returned to the Board meeting at 7:07 p.m.

CONSTRUCTION CONTRACT AWARD FOR KNOLL ROAD SEWER LINE REPLACEMENT PROJECT

Capital Facilities Senior Engineer Hubbard stated the District routinely performs sewer main camera inspections on its existing sewer system. Camera inspection has revealed several vertical dips in the existing 8-inch diameter clay sewer line in Knoll Road, north of San Marcos Boulevard. Deflections in the pipe affect the carrying capacity of the sewer and increases maintenance. It has been determined that this portion of the sewer line needs replacement.

He further stated this project will impact traffic flow in the area. The traffic control plans were developed and vetted through the City of San Marcos as well as Cal Trans, as the project will affect the freeway onramps.

On February 18, 2016 at 2:00 p.m., District staff received and opened bids from three contractors. Staff and counsel completed the evaluation of qualifications and determined that Charles King Company was the lowest responsive, responsible bidder. District staff will provide inspection and construction management.

Staff recommended the Board award the construction contract to Charles King Company in the amount of \$157,280 for the Knoll Road Sewer Line Replacement Project, subject to provisions of the contract.

General discussion took place.

16-03-10 MOTION WAS MADE by Director Evans, seconded by Director Elitharp, and carried unanimously, to award the construction contract to Charles King Company in the amount of \$157,280 for the Knoll Road Sewer Line Replacement Project, subject to provisions of the contract.

REVIEW OF PURCHASING POLICY

Assistant General Manager Scaglione stated the Finance Committee met on February 29 to review the District's purchasing policy and vendors receiving over \$100,000 per year. The consensus of the Committee was to ask the full Board to consider amending the existing policy to add language to require bids at least once every five years from

vendors providing materials or services in excess of \$100,000 annually. The District already does this; however, a revision to the policy would formalize the process.

President Sannella stated he felt the current policy is well written pertaining to the bidding process, but lacks language to ensure that the process takes place on a regular basis, especially on larger contracts. If the policy is revised, he would like the re-bidding process for vendors that qualify to take place over the next 12 to 18 months, with the exception of sole source vendors.

16-03-11 MOTION WAS MADE by Director Martin, seconded by Director Evans, and carried unanimously, to bring the revised purchasing policy back for approval at the next Regular Board meeting.

SAN MARCOS BOYS AND GIRLS CLUB ANNUAL AUCTION

President Sannella stated the Board previously approved District sponsorship at the 2015 Boys and Girls Club Annual Auction by way of purchasing a table at the event. He feels it was a component of the District's public outreach efforts.

Director Martin stated that if a table were to be purchased for this year, he would like to see more Board members and staff attending the function if it is to be used as public outreach to discuss water issues.

Director Evans stated funds could be better spent on other outreach opportunities, such as having the "Splashmobile" specifically at the Boys and Girls Club.

President Sannella stated that the actual cost of the table to the District would be reduced if a Board member brought a spouse and reimbursed the District for that seat.

Legal Counsel Scott recommended the Board consider establishing a ticket distribution policy in accordance with the Fair Political Practice Commission's regulations for these types of situations in the future.

General discussion took place concerning whether or not receiving a per diem for attending this event would be appropriate.

16-03-12 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried 4-1, with Director Evans voting no, to approve the District's purchase of a table in the amount of \$1,500 for Board members and staff to attend the Boys and Girls Club Annual Auction excluding Board member per diem compensation.

REPORTS

GENERAL MANAGER

General Manager Lamb stated a Special Board meeting will be held on March 24 to discuss the General Manager recruitment.

General Manager Lamb stated that members of the Member Agencies Management Meeting have asked the San Diego County Water Authority to arrange for transportation for staff, Board members, or anyone in the water industry that is interested in speaking at a hearing to be held on April 12, 2016 at Metropolitan Water District regarding their proposed new rate structure. He asked the Board, if interested in speaking at the hearing, to let Executive Secretary Posvar know.

DISTRICT LEGAL COUNSEL

None.

SAN DIEGO COUNTY WATER AUTHORITY

None.

ENCINA WASTEWATER AUTHORITY

Director Hernandez reported on his attendance to the Capital Improvement Committee meeting this morning at which a Regenerative Thermal Oxidizer, an odor and pollutant reducer, was approved. Discussion took place regarding the SCADA system upgrade which will cost \$10 Million dollars over several years.

Director Elitharp reported on his attendance to the Policy and Finance Committee meeting on March 8 at which a resolution amending the human resources policy manual was recommended for the Board to consider, as well as the establishment of an Other Post Employment Benefits (OPEB) trust.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Evans reported on her attendance to the March 15 Council of Water Utilities (COWU) meeting.

Director Elitharp reported on his attendance to the WateReuse conference.

President Sannella reported on his attendance to the March 15 COWU meeting.

Directors Martin and Hernandez reported on their attendance to the ACWA Legislative Symposium and the WateReuse conference.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Evans would like to explore a “lifeline” rate assistance program where customers could donate money.

General Manager Lamb will research this and report back to the Board.

Director Hernandez requested the topic of time limits for public speakers, organization presentations, etc. be placed on the next Regular Board agenda.

CLOSED SESSION

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957.6 –
CONFERENCE WITH LABOR NEGOTIATOR

Agency designated representative: General Manager
Employee Organization: Vallecitos Employee’s Association

CLOSED SESSION TO CONSIDER INITIATION OF LITIGATION PURSUANT TO
GOVERNMENT CODE SECTION 54956.9(d)(4) (ONE CASE)

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

16-03-13 MOTION WAS MADE by Director Hernandez, seconded by Director Martin, and carried unanimously, to move into Closed Session pursuant to Government Code Sections 54957.6, 54956.9(d)(4) and 54957(b).

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at the hour of 8:59 p.m. The Board, in Closed Session,

- directed the General Manager to continue negotiations with the Employee’s Association;
- heard an update on the CEO recruitment process; and
- directed Counsel to take appropriate action concerning the potential 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 9:00 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, April 6, 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:

Dennis O. Lamb, Secretary
Board of Directors
Vallecitos Water District