

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, APRIL 6, 2016, AT 5:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

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

Assistant General Manager Scaglione led the pledge of allegiance.

Present: Director Elitharp
Director Hernandez
Director Martin

Absent: Director Evans
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
Development Services Senior Engineer Scholl
Executive Secretary Posvar
Administrative Secretary Johnson

ADOPT AGENDA FOR THE REGULAR MEETING OF APRIL 6, 2016

16-04-01 MOTION WAS MADE by Director Hernandez, seconded by Director Martin, and carried unanimously, with Directors Evans and Sannella absent, to adopt the agenda for the Regular Board Meeting of April 6, 2016.

ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

16-04-02 MOTION WAS MADE by Director Hernandez, seconded by Director Martin, and carried unanimously, with Directors Evans and Sannella absent, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Regular Board Meeting – March 16, 2016
- B. Special Board Meeting – March 24, 2016

1.2 Warrant List through April 6, 2016 - \$4,212,956.20

ACTION ITEMS

PROJECT ACCEPTANCE FOR DESALINATED WATER CONNECTION

District Engineer Gumpel provided historical background on the project, stating that it was designed to bring desalinated water into the District's 855 Pressure Zone and northwest portion of the 920 Pressure Zone through a new turn-out connection at the Vallecitos 9 Flow Control Facility instead of through the San Diego County Water Authority's (SDCWA) second aqueduct system. The project included the installation of approximately 340 feet of 16-inch cement mortar lined and coated steel pipeline with a new isolation vault with valves. The District agreed to reimburse the SDCWA \$220,000 for construction of approximately 230 of the 340 feet of pipeline constructed by their contractor, and also agreed to be responsible for the cost of the design and construction of an isolation valve vault and the remaining 110 feet of 16-inch pipeline to complete the new turn-out connection.

He stated this is the last phase of the project. A construction agreement was awarded in April 2015 to install the remaining portion of the turn-out connection. All work was completed by March 2016 with a total of six change orders with the net total resulting in a credit to the District in the amount of \$29,188 and a budget surplus of \$49,870.

Staff recommended the Board accept the project, file a Notice of Completion and authorize release of retention funds to the contractor following the 60-day notice period, provided no claims are filed.

General discussion took place.

During general discussion, it was noted that the District's agreement for the purchase of 3,500 acre feet per year of desalinated water is resulting in lower TDS levels and operating expenses at the District's Meadowlark Reclamation Facility (MRF).

16-04-03 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, with Directors Evans and Sannella absent, to accept the project, file a Notice of Completion and authorize release of retention funds to the contractor following the 60-day notice period, provided no claims are filed.

AWARD OF CONSTRUCTION CONTRACT FOR THE CHLORINE CONTACT TANK SAFETY RAILING REPLACEMENT AT MRF

Operations & Maintenance Manager Pedrazzi stated the safety railing currently in place around the chlorine contact tank at MRF is failing due to age and environmental exposure, and does not meet the safety code.

He further stated that staff requested quotes from three manufacturers for the purchase and installation of a new railing system. Staff completed the evaluation of qualifications and determined that Safety Rail Source, LLC was the lowest responsive, responsible bidder. Construction management will be performed by District staff.

Staff recommended the Board award the construction contract to Safety Rail Source, LLC in the amount of \$91,885.00, subject to the provisions of the contract.

General discussion took place.

16-04-04 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, with Directors Evans and Sannella absent, to award the construction contract to Safety Rail Source, LLC in the amount of \$91,885.00, subject to the provisions of the contract.

REQUEST FOR ANNEXATION OF CERTAIN PROPERTY DESIGNATED AS "BROOKFIELD RANCHO CORONADO" (APN: 222-170-28, 222-080-09, 222-080-59, 222-190-14, 222-180-27) INTO THE SEWER IMPROVEMENT DISTRICT (BROOKFIELD SOUTHERN CALIFORNIA LAND, LLC)

Development Services Senior Engineer Scholl stated the Rancho Coronado Villages development is a proposed residential and commercial development. The property is on approximately 253.07 acres of unimproved land located on Twin Oaks Valley Road and Village Drive, north of the District's Southlake property. On March 11, 2016, Brookfield Southern California Land, LLC, owners of the property, submitted to the District a letter requesting annexation of 135.65 acres of the development into the Sewer Improvement District for sewer service. The 135.65 acres include the residential and park properties as well as 8.91 acres of non-contiguous open space. The owner is also requesting a variance from annexing the remaining 117.42 acres, as this is slated to become permanent open space.

Section 2.13 of Ordinance No.196 stipulates that any and all open space dedications within the proposed development shall be included in the annexation of lands into the sewer improvement district. The Board may grant a variance for separate parcels of land within the proposed development that are not slated for development. Based on the contiguous nature of the properties, staff supports the owner's request for a variance from annexing 117.42 acres of open space that will not be developed upon.

Staff recommended the Board approve the annexation of certain property designated as "Brookfield Rancho Coronado," APN: 222-170-28, 222-080-09, 222-080-59, 222-190-14, and 222-180-27, into the Sewer Improvement District for sewer service with the following conditions:

1. Payment of annexation fee of \$8,152.00 per acre (135.65 acres) = \$1,105,818.80.
2. Payment of State Board of Equalization fee of \$2,000.00.
3. Submittal of a copy of the title report showing ownership and a geographic description of the property including a plat map.
4. Construction of facilities per an Agreement for Construction of Water and Sewer Facilities to be Dedicated to Vallecitos Water District.
5. Final Acceptance of water and sewer facilities will not take place until completion of annexation, payment of annexation fees, completion of water and sewer facilities required for the project, and payment of all current fees and charges.
6. Completion of annexation within 180 days of initial Board approval.

General discussion took place.

16-04-05 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, with Directors Evans and Sannella absent, to approve the annexation with conditions as presented.

LOCAL AGENCY FORMATION COMMISSION 2015-2016 RUN-OFF SPECIAL DISTRICTS ELECTION

General Manager Lamb stated a run-off election is required for the alternate special district member position due to the fact none of the four candidates that participated in the recent election received a majority of the votes cast. The run-off election between the two top vote getters, Judy Hanson and Dennis Sanford, will be held by mailed ballot with a June 3, 2016 due date for the return ballots.

General discussion took place.

16-04-06 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, with Directors Evans and Sannella absent, to support Judy Hanson for the alternate special district member position.

REPORTS

GENERAL MANAGER

General Manager Lamb commented on two historical documents he distributed to the Board: the first District Master Plan for water (dated 1955) and the first District Master Plan for water and sewer (dated 1959). Both documents contain a considerable amount of District history.

DISTRICT LEGAL COUNSEL

None.

SAN DIEGO COUNTY WATER AUTHORITY

General Manager Lamb stated he attended afternoon sessions of the Special Board meeting held last week. One session pertained to the SDCWA's proposed new rate model.

General Manager Lamb stated Metropolitan Water District (MWD) has issued new rates without a cost of service study. Director Hernandez and Assistant General Manager Scaglione will be speaking at a hearing scheduled on April 12 at MWD regarding their proposed new rate structure.

General Manager Lamb stated the SDCWA rescinded their water conservation model policy at their last Board meeting. Their allocation policy remains in place.

ENCINA WASTEWATER AUTHORITY

None.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

None.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

None.

CLOSED SESSION

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95
CONFERENCE WITH LEGAL COUNSEL – LIABILITY CLAIM

Claimant: Steve Pike

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95
CONFERENCE WITH LEGAL COUNSEL – LIABILITY CLAIM

Claimant: Michele Dempsey

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

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

16-04-07 MOTION WAS MADE by Director Hernandez, seconded by Director Martin, and carried unanimously, with Directors Evans and Sannella absent, to move into Closed Session pursuant to Government Code Sections 54956.95 and 54957.6.

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at the hour of 5:49 p.m. The Board, in Closed Session, considered and rejected the claim of Steve Pike and directed staff to turn the claim over to ACWA/JPIA.

The Board, in Closed Session, considered and rejected the claim of Michele Dempsey and directed staff to turn the claim over to ACWA/JPIA.

The Closed Session regarding conference with the labor negotiator was not needed and did not take place.

ADJOURNMENT

There being no further business to discuss, Vice President Elitharp adjourned the Regular Meeting of the Board of Directors at the hour of 5:50 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, April 20, 2016, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

Craig Elitharp, Vice President
Board of Directors
Vallecitos Water District

ATTEST:

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