

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, APRIL 20, 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: 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
Capital Facilities Engineer Santos
Engineering Technician III Whitesell
Construction Inspection Supervisor Kirby
Public Information/Conservation Supervisor Robbins
Executive Secretary Posvar
Administrative Secretary Johnson

Others Present: Jo MacKenzie, California Special Districts Association

ADOPT AGENDA FOR THE REGULAR MEETING OF APRIL 20, 2016

16-04-10 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, to adopt the agenda for the Regular Board Meeting of April 20, 2016.

PRESENTATIONS

Jo MacKenzie, Board Member, California Special Districts Association, presented the Board with the District of Distinction Award and District Transparency Certificate of Excellence Award from the Special Districts Leadership Foundation.

President Sannella stated Assemblywoman Marie Waldron's office was notified of these awards and prepared a resolution recognizing the District for its achievements.

Engineering Department Presentation

Capital Facilities Engineer Santos, Engineering Technician III Whitesell, and Construction Inspection Supervisor Kirby facilitated the presentation as follows:

- Organization Chart
- Capital Facilities Department
 - What are Capital Facilities?
 - Purpose of the Capital Facilities
 - Projects that are in Planning or Design 15/16
 - District In-House Planning, Designing and Construction
 - Construction Management of Capital Facilities and District Projects
 - Construction 15/16
 - Capital Facilities also provides Geographic Information Systems (GIS)
 - GIS – It's better than Google Earth!
- Development Services Department
 - Introduced Staff
 - Planning Studies
 - Water – Sewer Modeling and Fire Flow
 - Environmental (CEQA)
 - Plan Check
 - Project Approval
 - Project Final Acceptance
 - The Finished Products
 - Projects in Construction Nearing Final Acceptance
 - Maintain Engineering Records
 - Customer Inquiries
- Inspections Department
 - Inspection Process for Developmental
 - Inspection Process for VWD Capital and City Projects
 - Locator's Responsibilities

General question and answer took place during the presentation.

This presentation was for information only.

ORAL COMMUNICATIONS

Mike Hunsaker, member of the public, addressed the Board thanking them for changing the start time of Board meetings to 5:00 p.m. He expressed his regret that General Manager Lamb is retiring; he has always found him to be helpful, very insightful and appreciated his encyclopedic knowledge of water and policies. He will be missed.

He stated he has attended three meetings at which the San Diego County Water Authority (SDCWA) discussed the Metropolitan Water District (MWD) negotiations, water changes, and legal actions. At one of the meetings, there was even a MWD representative. He is less than thrilled that the SDCWA isn't taking more aggressive action against proposed rate changes and the lack of any attempt by MWD to allegedly provide escrow amounts of money in the likelihood that there will be any decision in the appellate court that goes against it. It is also frustrating to have to buy potable water and then dump it into a reservoir. This has caused some consternation in the public in

general. It seems like there are many different options for injunctions, relief and such to provide some degree of action that the SDCWA can do.

He further stated that Director Evans has relayed that there is quite a bit of interest in the SDCWA and the District in counteracting these things. He would appreciate an update on what the SDCWA intends to do about it. At the last meeting it was mentioned that MWD's water rates would increase 4%, but there was a lot of creative accounting concerning that; in some cases it was 6% to 45%. It would seem that if we are going to accept increased rates, at least put it into an escrow account so that it doesn't disappear down some MWD rat hole and something is done about this water wastage. If possible, we could sell our water to someone else so we can at least get some recompense. If the rest of the state is dry, maybe that water should be shuttled elsewhere where it could do some good, not here where we can't store it and we pollute it by putting it into a reservoir. He thanked the Board.

President Sannella stated that the CEO of the SDCWA attended a District Board meeting recently and presented information on many of the items Mr. Hunsaker commented on. He suggested Mr. Hunsaker review the recording of the meeting on the District's website.

CONSENT CALENDAR

16-04-11 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. Regular Board Meeting – April 6, 2016
- B. Special Board Meeting – April 13, 2016

1.2 Warrant List through April 20, 2016 - \$921,281.78

1.3 Financial Reports

- A. Water Meter Count – March 31, 2016
- B. Water Production/Sales Report – 2015/2016
- C. Quarterly Financial Report – March 31, 2016
- D. Water Revenue and Expense Report – March 31, 2016
- E. Sewer Revenue and Expense Report – March 31, 2016
- F. Reserve Funds Activity – March 31, 2016

1.4 Operations & Maintenance Metrics Quarterly Report – March 31, 2016

1.5 Approval of Construction Agreement for Rancho Coronado Water Main Relocation (Brookfield Rancho Coronado, LLC)

Director Sannella requested clarification on the warrant list with respect to payments made to First Bankcard Center, to which staff responded.

ACTION ITEMS

DROUGHT UPDATE

Public Information/Conservation Supervisor Robbins stated the snowpack in the northern Sierra Nevada was measured at near 100% on April 1. He provided the following update for the month of March:

- The District's March 2016 water production decreased 12% from March 2014 and 22% from March 2013.
- In March 2016, customers used 70.5 gallons per day compared to March 2015, when customers used 92.4 gallons per day.
- On March 9, 2016, the State Water Resources Control Board changed Vallecitos' water conservation target to 16% due to the District's direct connection to the seawater desalination plant in Carlsbad. Since the mandate, Vallecitos has achieved a 25.7% water conservation reduction.

General discussion took place.

This item was presented for information only.

PROPOSED REPLACEMENT OF RESOLUTION NO. 1481, "RESOLUTION OF THE BOARD OF DIRECTORS...ESTABLISHING PURCHASING POLICIES AND PROCEDURES FOR THE DISTRICT"

Finance Manager Fusco stated that at the March 16, 2016 Board meeting, the Board concurred with the Finance Committee's recommendation to add a section to the Resolution requiring vendors providing annual services or materials to the District in the amount of \$100,000 or greater in a single fiscal year, to competitively bid against other vendors offering similar services or materials no less than once every five subsequent fiscal years. The Board concurred with the Finance Committee and requested a new resolution be presented including the proposed section for Board action.

Staff recommended the Board adopt the new resolution.

President Sannella stated as time permits, the re-bidding process for vendors that qualify could take place over the next 6 to 12 months with the exception of sole source suppliers.

16-04-12 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, to adopt the resolution.

Resolution No. 1484 - The roll call vote was as follows:

AYES: Elitharp, Evans, Hernandez, Martin, Sannella
NOES:
ABSTAIN:
ABSENT:

TICKET DISTRIBUTION POLICY RESOLUTION

Assistant General Manager Scaglione stated that at the April 4, 2016 Board meeting, Legal Counsel Scott advised the Board of a new Fair Political Practice Commission (FPPC) requirement to post ticket policies and Form 802 (used to identify persons who receive tickets to events and the purpose of the event) to the District's website while also providing a link to the FPPC. A draft resolution addressing the FPPC requirement for the distribution of tickets and passes to events, and defining the process and procedures for compliance, was presented for the Board's consideration.

Staff recommended the Board adopt the ticket distribution policy resolution.

General discussion took place.

16-04-13 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, to adopt the resolution.

Resolution No. 1485 - The roll call vote was as follows:

AYES: Elitharp, Evans, Hernandez, Martin, Sannella
NOES:
ABSTAIN:
ABSENT:

PUBLIC COMMENT TIME LIMITS

Mike Hunsaker, member of the public, addressed the Board stating that after reviewing the material, it wasn't clear whether or not the Board was planning an action tonight or whether the idea was to reduce time limits. That should have been clearer. It appears if the Board takes action, they will be within the Brown Act, but he believes if residents and time limits are restricted, it would not be in the spirit of transparency. The information provided in the packet doesn't really tell him where the Board is planning to go. He thanked the Board.

Assistant General Manager Scaglione stated that at the March 16, 2016 Board meeting, Director Hernandez requested the topic of time limits for public comment and presentations be placed on a future agenda for discussion.

Staff surveyed 15 other agencies for policy regarding limits on comments during oral communications and for specific agenda items. Of the 13 agencies that responded, 10 limit public comment to three minutes per speaker, one to five minutes, and two do not

limit time allotted to public comment. Some agencies list the policy on the speaker request form and some on the Board agenda.

President Sannella commented that the District currently does not have a time limit for public speakers. Assistant General Manager Scaglione confirmed this and stated current policy is that it's at the Board President's discretion.

General discussion took place.

During general discussion, General Manager Lamb stated the intent of a time limit for public comment is to ensure that the people's business moves forward in a reasonable time frame. The three-minute time limit would not apply to scheduled presentations. A written policy is not necessary; however, the time limit will be stated on future Board agendas. A draft statement will be brought back at the next regular Board meeting for the Board's consideration.

16-04-14 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, to direct staff to bring back a policy statement regarding a three-minute time limit for public speakers, subject to the President's discretion.

BOARD PRESENTATION MATERIALS

Mike Hunsaker, member of the public, addressed the Board stating he supports this idea. Presentation materials are an important factor in determining what to do from the public standpoint. He added that there was an important presentation not too long ago about rates and rate philosophy, and there wasn't anything in the Board packet. That should have been in the packet. It's important for the public to see these materials as well as the Board. He would also like documents that can be accessed on the District's website.

General Manager Lamb stated the general rate study information presented at the Board meeting Mr. Hunsaker referred to was made available on the District's website as supplemental information. He explained that legally, when information is made available to the Board, it must be simultaneously made available to the public as well.

General discussion took place.

During general discussion, General Manager Lamb stated that PowerPoint presentations generally consist of bullet points, whereas detailed information is included in the Board packet.

Director Martin asked that PowerPoint presentations as well as all information necessary to make policy decisions be provided to the Board 48 hours prior to the Board meeting. If this isn't possible, the agenda item should be tabled to the next Board meeting.

16-04-15 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, to direct staff and applicants to provide all information and PowerPoint presentations to the Board 48 hours prior to the Board meeting or the item will be tabled to the next Board meeting.

QUARTERLY INVESTMENT REPORT

This item was presented for information only.

REPORTS

GENERAL MANAGER

None.

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 at which the Committee recommended forwarding the budget to the Board for approval and discussed diminished flows.

General discussion took place regarding the drought's effect on flows and projections for the future relative to the District's draft Urban Water Management Plan which will be presented to the Board in May or June.

Director Elitharp reported on his attendance to the Policy and Finance Committee meeting on April 12 at which the Committee reviewed the FY2017 proposed operating budget and recommended it be forwarded to the Board for approval.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Hernandez reported on his attendance to the Council of Water Utilities (COWU) and San Diego North Economic Development Council (SDNEDC) Investors meetings.

Director Martin reported on his attendance to the SDNEDC Investors meeting.

Director Elitharp reported on his attendance to the COWU and SDNEDC Investors meetings.

President Sannella reported on his attendance to the COWU and SDNEDC Investors meetings and the Colorado River Aqueduct System Tour.

OTHER BUSINESS

POSSIBLE CHANGE IN REGULAR BOARD OF DIRECTORS MEETING DATE

General Manager Lamb stated the ACWA Spring Conference scheduled for May 3 – 6 conflicts with the regularly scheduled Board of Directors meeting on May 4 and that a quorum would not be met for the Board meeting. The consensus of the Board was to cancel the meeting.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

None.

CLOSED SESSION

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

Citizens Development Corporation, v. County of San Diego, et al.
United States District Court, for the Southern District of California
Case No. 12CV0334 IEG RB

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

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

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

16-04-16 MOTION WAS MADE by Director Martin, seconded by Director Hernandez, and carried unanimously, to move into Closed Session pursuant to Government Code Sections 54956.9(a), 54957(b) and 54957.6.

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at the hour of 8:31 p.m. The Board, in Closed Session, discussed the status of the Citizen Development Corporation v. County of San Diego Case No. 12CV0334 IEG RB.

The Board, in Closed Session, discussed the hiring of a General Manager pursuant to Government Code Section 54957(b)(2).

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, President Sannella adjourned the Regular Meeting of the Board of Directors at the hour of 8:32 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, May 18, 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