

MINUTES OF A WORKSHOP MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, APRIL 26, 2017, AT 5:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

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

Director Sannella led the pledge of allegiance.

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

Staff Present: General Manager Pruim
Assistant General Manager Scaglione
Administrative Services Manager Emmanuel
District Engineer Gumpel
Development Services Senior Engineer Scholl
Capital Facilities Senior Engineer Hubbard
Accounting Supervisor Owen
Financial Analyst Arthur
Executive Secretary Posvar

ADOPT AGENDA FOR THE WORKSHOP MEETING OF APRIL 26, 2017

17-04-13 MOTION WAS MADE by Director Sannella, seconded by Director Martin, and carried unanimously to adopt the agenda for the Board Workshop Meeting of April 26, 2017.

DISCUSSION ITEM

PROPOSED 2017/18 CAPITAL BUDGET REVIEW

General Manager Pruim stated staff will be presenting the preliminary Capital Improvement Projects (CIP) for FY 2017/2018. The presentation will include a five-year outlook, therefore, will include FY's 2017/2018 through FY's 2021/2022. The projects on the list include water and wastewater projects as well as recycled projects. Some of the projects on the list include carry forward projects. These projects have already been budgeted and have not yet been completed, as well as new projects. The information being presented to the Board was presented to the Finance Committee on April 17.

Accounting Supervisor Owen explained what a capital budget is, provided general overview of the CIP program, water and wastewater programs, whether projects are related to replacement, capacity, or both, and why that is important.

Accounting Supervisor Owen presented the Draft Capital Budget as follows:

- Draft 2017-18 overall budget
- Capital Outlay
- Resources
- CIP Costs for Water and Sewer
- Water Replacement- CIP
- Water Capacity – CIP
- Sewer Replacement – CIP
- Sewer Replacement – CIP Less EWA
- Sewer Capacity – CIP
- Draft Capital Budget

Question and answer took place following the presentation.

District Engineer Gumpel reviewed the following CIP's, including projects that may be delayed or removed from the CIP, as follows:

- Encina Parallel Land Outfall
- San Marcos Interceptor
- Montiel Gravity Outfall
- Schoolhouse Tank Refurbishment
- Stargaze Court Water Line Replacement
- Meadowlark Tank No. 3 – *waiting for the new Master Plan to verify the size; current future plan is to tear down one tank and build two tanks, however, with the new Master Plan and the way staff is looking at the water resources, there is an opportunity that the small tank may not be torn down and build one medium tank and save overall dollars – this is a project that can be removed, however, the 2017/18 budget contains no expenditures. With the anticipation of the Master Plan being adopted, staff anticipates building it in 2018/19 and 2019/20.*
- Chlorine Contact Tank Expansion – *this project may or may not come off the budget and may or may not return; grant funding and Board direction on future water resources and which direction is taken is contingent on this project moving forward.*
- Mountain Belle Pump Station – *this would be an alternate water supply; this project can be removed/delayed to later date – there is no funding for this project until future years.*
- Land Outfall Clearing & Access Road

Question and answer took place during and following the presentation.

Mike Hunsaker, member of the public, addressed the Board stating concerns related to the cost and cost recovery for wastewater treatment; cost recovery more complex due to growth unpredictability; the deferred payment plan and developers paying fees right before they go up; how to recover interest; and, delay with Master Plan completion. He requested the name of the developer who was refunded monies related to the Wulff Tank expansion be provided to him. He thanked the Board.

Director Hernandez requested that the plans and architect's estimate for the locker room area remodel be presented at the next Board meeting for review.

ADJOURNMENT

There being no further business to discuss, President Elitharp adjourned the Board Workshop Meeting at the hour of 6:20 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, May 3, 2017, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

Craig Elitharp, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruijm, Secretary
Board of Directors
Vallecitos Water District