

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, NOVEMBER 1, 2017, AT 5:00 P.M.
AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT ELITHARP

PLEDGE OF ALLEGIANCE

ROLL CALL

In the case of an emergency, items may be added to the Agenda by a majority vote of the Board of Directors. An emergency is defined as a work stoppage; a crippling disaster; or other activity which severely imperils public health, safety, or both. Also, items which arise after the posting of the Agenda may be added by a two-thirds vote of the Board of Directors.

ADOPT AGENDA FOR THE REGULAR MEETING OF NOVEMBER 1, 2017

PRESENTATIONS

Chris Robbins, Public Information/Conservation Supervisor, will present the “Imagine a Day Without Water Video” created by staff. The video is now being used by various other agencies.

Chris Robbins, Public Information/Conservation Supervisor, will present feedback received regarding the District’s Water Academy Tour held on October 19, 2017.

PUBLIC COMMENT

Persons wishing to address a matter not on the Agenda may be heard at this time; however, no action will be taken until the matter is placed on a future agenda in accordance with Board policy. Public comments are limited to three minutes. A Request to Speak form is required to be submitted to the Executive Secretary prior to the start of the meeting, if possible. Public comment should start by stating name, address and topic. The Board is not permitted during this time to enter into a dialogue with the speaker.

NOTICE TO THE PUBLIC

All matters listed under the Consent Calendar will be voted upon by one motion. There will be no separate discussion of these items, unless a Board member or member of the public requests that a particular item(s) be removed from the Consent Calendar, in which case it will be considered separately under Action Items.

CONSENT CALENDAR

1.1 APPROVAL OF MINUTES (pp. 5-13)

- A. PUBLIC AWARENESS/PERSONNEL/POLICY COMMITTEE MEETING – OCTOBER 16, 2017
- B. REGULAR BOARD MEETING – OCTOBER 18, 2017

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

1.2 WARRANT LIST THROUGH NOVEMBER 1, 2017 – \$5,116,835.18 (pp. 14-15)

Recommendation: Approve Warrant List

1.3 CONSTRUCTION CONTRACT AWARD FOR NURSERY VALVE RELOCATION (pp. 16-19)

Access to the valves in Rancho Santa Fe Road require a full lane shutdown of the southbound traffic during routine valve maintenance and emergency operations.

Recommendation: Award Construction Contract

1.4 APPROVAL OF CONSTRUCTION AGREEMENT FOR PALISADES ESTATES, APN'S 172-110-07, 08, 35 & 174-260-03, 04, 09 & 22 (PROGRAM RESOURCES, INC.) (pp. 20-36)

The development site is on approximately 222.02 acres of unimproved land located east of Elevado Road just west of North Twin Oaks Tank II.

Recommendation: Approve Construction Agreement

1.5 PURCHASE OF NIMBLE STORAGE FOR COMPUTER SERVERS (pp. 37)

Dell announced it was discontinuing the EqualLogic technology and support would be limited and eventually unavailable.

Recommendation: Approve Purchase of Nimble Storage

*****END OF CONSENT CALENDAR*****

ACTION ITEMS

- 2.1 COMMUNICATIONS SITE LICENSE AGREEMENT WITH THE REGENTS OF THE UNIVERSITY OF CALIFORNIA FOR THE INSTALLATION, USE, MAINTENANCE AND REPAIR OF RADIO COMMUNICATION FACILITIES (pp. 38-53)

The Regents of the University of California are requesting the installation of radio communication facilities at the Coronado Hills Tank site.

Recommendation: Authorize execution of a communications site license agreement

- 2.2 CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE PUBLIC FORUM ON "MANAGED GROUNDWATER RECHARGE TO SUPPORT SUSTAINABLE WATER MANAGEMENT" (pp. 54-58)

The California Department of Food and Agriculture and California Department of Water Resources are not on the list of organizations for which meetings are considered compensable under District Ordinance No. 203.

Recommendation: Request Board direction

- 2.3 MEETING WITH STATE SENATOR JOEL ANDERSON TO DISCUSS LEGISLATIVE ISSUES (pp. 59)

Meeting with Senator Anderson is not on the list of organizations for which meetings are considered compensable under District Ordinance No. 203.

Recommendation: Request Board direction

*******END OF ACTION ITEMS*******

REPORTS

- 3.1 GENERAL MANAGER
3.2 DISTRICT LEGAL COUNSEL
3.3 SAN DIEGO COUNTY WATER AUTHORITY
3.4 ENCINA WASTEWATER AUTHORITY
- Capital Improvement Committee
- Policy and Finance Committee

3.5 STANDING COMMITTEES

3.6 DIRECTORS REPORTS ON MEETINGS/CONFERENCES/SEMINARS
ATTENDED

*******END OF REPORTS*******

OTHER BUSINESS

4.1 MEETINGS

*******END OF OTHER BUSINESS*******

5.1 DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

*******END OF DIRECTORS COMMENTS/FUTURE AGENDA ITEMS*******

6.1 ADJOURNMENT

*******END OF AGENDA*******

If you have any disability which would require accommodation in order to enable you to participate in this meeting, please call the Executive Secretary at 760.744.0460 ext. 264 at least 48 hours prior to the meeting.

Audio and video recordings of all Board meetings are available to the public at the District website www.vwd.org

AFFIDAVIT OF POSTING

I, Diane Posvar, Executive Secretary of the Vallecitos Water District, hereby certify that I caused the posting of this Agenda in the outside display case at the District office, 201 Vallecitos de Oro, San Marcos, California by 4:00 p.m., Friday, October 27, 2017.

Diane Posvar

MINUTES OF A MEETING OF THE
PUBLIC AWARENESS/PERSONNEL/POLICY COMMITTEE
OF THE VALLECITOS WATER DISTRICT
MONDAY, OCTOBER 16, 2017 AT 3:00 P.M.
AT THE DISTRICT OFFICE, 201 VALLECITOS DE ORO,
SAN MARCOS, CALIFORNIA

Director Evans called the meeting to order at the hour of 3:04 p.m.

Present: Director Evans
 Director Hernandez
 General Manager Pruim
 Assistant General Manager Scaglione
 Administrative Secretary Johnson

ITEMS FOR DISCUSSION

DISTRICT POLICY FOR BILLING ADJUSTMENTS

General Manager Pruim stated the Board was made aware at the September 6, 2017 Board meeting of a customer who was underbilled for sewer services. The Board directed the Committee to discuss whether a policy for handling billing adjustments is needed.

General Manager Pruim provided details of the underbilled customer. The commercial customer was underbilled for sewer in the amount of \$24,437.34 over a three-year period. That is as far back as the District can legally go to collect the funds owed. Staff called the customer before sending a letter explaining that a billing error had been made and offering to extend a payment plan. The customer's response was that the error was the District's error and didn't feel he was responsible for the underbilled amount.

Assistant General Manager Scaglione stated the reason for the error was identified. For commercial customers, the sewer charge is based on flow. A common "return to sewer" ratio for water through a meter returning to the sewer system is 80% with a discount of 20%. The error was made when the percentages were flipped to 20% return to sewer with a discount of 80%. A data query was performed to identify commercial customers with a discount greater than 50% which could be suspect. Staff will be performing a query such as this on a regular basis to identify and investigate any accounts that fit the criteria to avoid underbilling in the future, and new accounts will be reviewed when they start up as well. Staff currently performs routine surveillance of customer accounts to look for anomalies.

General discussion took place. During general discussion, it was clarified that the process of conducting routine surveillance, performing queries and checking for anomalies is a practice, not a policy. A Standard Operating Procedure (SOP) for staff's

use will be written to outline the practice. The consensus of the Committee was that customer account (water and sewer) reviews should be conducted quarterly. This will be included in the SOP.

The Committee will report to the Board that they are confident with the current practice in place and directed staff to update procedures in a written SOP which will include tightened procedures and quarterly review of water and sewer customer accounts. Staff will continue its efforts to collect the funds due to the District as a result of the underbilled commercial account.

Mike Hunsaker, member of the public, asked if the District is obligated during a drought to grant more water capacity to someone who is using more water. Staff responded that unless the District is in Drought Level 3, the District is obligated to do so, provided the need is justified by the completion of a demand form which is reviewed by the Engineering Department. Mr. Hunsaker also inquired where information regarding the return to sewer factor for commercial could be found. Assistant General Manager Scaglione stated that information can be found in District Ordinance No. 184.

DISTRICT PRACTICES FOR WATER METER LOCK NOTICES

Director Evans provided background information regarding a customer in her division who contacted her when she received a water meter lock notice after falling behind on her account. Director Evans commended staff for resolving the situation with an apology, explaining the situation, not locking the customer's meter and returning the \$25 delinquent fee to her. The customer requested the District review its policy concerning water meter lock notices.

General Manager Pruim provided a copy of District Ordinance No. 186 in which Section 2 outlines in detail the process for delinquent service notification. He noted that staff virtually always errors on the customer's side and that the earliest a customer receives a courtesy notice is 30 days after the account is past due. Grace periods are allowed. Staff calls the customer a day before and on the day the 48-hour meter lock notice is delivered to the customer. Customers get multiple opportunities to pay their bill before service is shut off.

General Manager Pruim stated the 48-hour meter lock notices will now be sent out by InfoSend, who in turn contracts with FedEx to deliver the notices. By law, a written notice must be provided to the customer.

General discussion took place regarding the amount past due that triggers the delinquent service notification. Assistant General Manager Scaglione provided statistics on how many delinquent notices are sent in a year which equates to approximately 4,092 out of over 22,000 customers (some received more than one notice). The District allows one occurrence per year to waive a delinquent fee.

The consensus of the Committee was that the District's current practice for delinquency and water meter lock notices as outlined in Ordinance No. 186 is flexible, lenient and appropriate as is.

Staff was directed to present a brief overview of the water meter lock notification process at the next Board meeting.

OTHER BUSINESS

None.

PUBLIC COMMENT

Mike Hunsaker, member of the public, commented that he has found the District to be very compassionate and understanding. He questioned whether the District is experiencing abuse of the policy by high water users who may try to skip payments every other month. Assistant General Manager Scaglione stated the controls in place work well to prevent this from happening.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at the hour of 3:54 p.m.

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, OCTOBER 18, 2017, AT 5:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

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

Director Hernandez led the pledge of allegiance.

Present: Director Elitharp
Director Hernandez
Director Martin
Director Sannella

Absent: Director Evans

Staff Present: General Manager Pruim
Assistant General Manager Scaglione
Legal Counsel Scott
Administrative Services Manager Emmanuel
District Engineer Gumpel
Operations & Maintenance Manager Pedrazzi
Capital Facilities Senior Engineer Hubbard
Development Services Senior Engineer Scholl
Accounting Supervisor Owen
Public Information/Conservation Supervisor Robbins
Financial Analyst Arthur
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF OCTOBER 18, 2017

17-10-06 MOTION WAS MADE by Director Sannella, seconded by Director Hernandez, and carried unanimously, with Director Evans absent, to adopt the agenda for the Regular Board Meeting of October 18, 2017.

PUBLIC COMMENT

None.

CONSENT CALENDAR

17-10-07 MOTION WAS MADE by Director Hernandez, seconded by Director Sannella, and carried unanimously, with Director Evans absent, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Regular Board Meeting – October 4, 2017
- B. Engineering/Equipment Committee Meeting – October 9, 2017

1.2 Warrant List through October 18, 2017 - \$1,674,183.86

1.3 Financial Reports

- A. Water Meter Count – September 30, 2017
- B. Water Production/Sales Report – 2017/2018
- C. Quarterly Financial Report – September 30, 2017
- D. Water Revenue and Expense Report – September 30, 2017
- E. Sewer Revenue and Expense Report – September 30, 2017
- F. Reserve Funds Activity – September 30, 2017
- G. Investment Report – September 30, 2017

1.4 Operations & Maintenance Metrics Quarterly Report – September 30, 2017

1.5 Final Acceptance of Water and Sewer Improvements for Eastgate, APN's 219-270-70, 71, 72 & 73 (Affirmed Housing Group)

1.6 Project Acceptance of Lift Station No. 1 Wet Well Room Repairs

Director Martin asked if any equipment was replaced during the repairs to the Lift Station No. 1 wet well room to which staff responded.

ACTION ITEMS

SENATE BILL 555 BY SENATOR LOIS WOLK (D-DAVIS) – URBAN RETAIL WATER SUPPLIERS: WATER LOSS MANAGEMENT

Public Information/Conservation Supervisor Robbins stated California Senate Bill (SB) 555, passed in October 2015, requires urban water suppliers to submit a completed and validated water loss audit annually to the California Department of Water Resources starting in October 2017. The California-Nevada Section of the American Water Works Association is leading a broad group of stakeholders that came together in 2015 to combat water loss in California by forming the California Water Loss Control Collaborative (WLCC). The WLCC in turn developed the Water Loss Technical Assistance Program (Water Loss TAP) to aid urban water suppliers in complying with SB 555.

Public Information/Conservation Supervisor Robbins provided a presentation on SB 555 – Water Loss Management as follows:

- Water Loss Control Collaborative
- Water Loss Technical Assistance Program (TAP)
- Water Loss TAP VWD Team
- Water Loss Terminology
- Validated Audit Results
- Cost Data
- Recommendations for Improvement
- Annual Process and Standards

General discussion took place.

This item was presented for information only.

LEGAL SERVICES SOLICITATION

General Manager Pruum stated Jeff Scott of Scott Jackson Law has represented the District's legal interests for over twenty years. District Resolution No. 1484 requires competitive solicitation of professional services that are more than \$100,000 per year at a minimum of every five years. The District released a Request for Proposal (RFP) on September 29, 2017 to law firms interested in providing general counsel services to the District. The deadline for proposals is Friday, October 27, 2017.

General Manager Pruum further stated the first step in the selection process is the formation of an initial screening panel to determine which firms are asked to move forward in the selection process to be interviewed by the final selection committee.

Staff recommended the entire Board participate in the final selection; however, the RFP states that proposals will be initially screened by an internal panel comprised of staff and up to two Board members. Staff recommended no more than two Board members be assigned to the screening committee. Several options for the Board composition of the screening committee were presented to the Board for their consideration.

General discussion took place.

17-10-08 MOTION WAS MADE by Director Hernandez, seconded by Director Elitharp, to assign one Board member each from the Legal/Legislative Committee and Public Awareness/Personnel/Policy Committee to the initial screening committee.

17-10-09 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried 3-1, with Director Hernandez voting no and Director Evans absent, to assign Directors Sannella and Martin, as members of the Legal/Legislative Committee, to the initial screening committee.

Director Sannella requested a list of the law firms that received the RFP. He also recommended the Legal/Legislative Committee meet in late October.

ACWA ELECTION OF OFFICERS

General Manager Pruum stated ACWA will be holding a General Session Membership Meeting at their 2017 Fall Conference on Wednesday, November 29. The purpose of the meeting is to formally nominate and elect ACWA's President and Vice President for the 2018-2019 term, and to conduct a vote by the membership on proposed amendments to the ACWA's Bylaws as recommended by the Board of Directors at its meetings on September 29, 2017. ACWA will issue one proxy card for voting purposes to each

member agency present based on the designated voting representative identified by the member agency.

General discussion took place.

17-10-10 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, with Director Evans absent, to designate President Elitharp as the District's proxy delegate to vote on behalf of the District.

REPORTS

GENERAL MANAGER

General Manager Pruim reported the following:

- San Diego County Water Authority (SDWCA) will be conducting a ten-day shutdown of the treated water system November 5 – 14 to perform system maintenance. The desal plant will also be shut down during that time. In preparation for the shutdown, all District tanks will be topped off. Water will be available from Olivenhain Municipal Water District as well.
- The District's Water Academy will be held on Thursday, October 19. As of today, 49 individuals have registered to attend.
- Referencing the lawsuit between SDCWA and Metropolitan Water District, the California Supreme Court decided not to take up the appeal from SDCWA; therefore, the decisions from the Appeals Court stand. SDCWA will receive much less from the lawsuit than they were expecting.

DISTRICT LEGAL COUNSEL

Legal Counsel Scott reported on the passage of Senate Bill 229 which applies the accessory dwelling unit law to all special districts and would exempt these units from being considered a new residential use for calculating local agency connection or capacity fees. Legal Counsel Scott also noted that the California Supreme Court granted a petition for review in the Plantier v. Ramona case which is a Proposition 218 case and the extent of the need to participate in the protest process in order to challenge the rate structure.

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 discussion took place regarding the award of the Supervisory Control and Data Acquisition (SCADA) contract for \$1.8 million to implement upgrades to the SCADA system. The project will take five to seven years to complete.

President Elitharp stated the Policy and Finance Committee did not meet in October.

STANDING COMMITTEES

Director Hernandez stated the Engineering/Equipment Committee met on October 9 at which discussion took place regarding possible development projects in the City of San Marcos. Staff provided the Committee with a detailed map and data regarding projected water and sewer usage for the projects.

Director Hernandez stated the Public Awareness/Personnel/Policy Committee met on October 16 to discuss a delinquent customer billing dispute which was satisfactorily resolved. The consensus of the Committee was that the current delinquency notification policy is appropriate and recommended it not be changed.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Sannella reported on his attendance to the Council of Water Utilities (COWU) meeting on October 17.

Director Martin reported on his attendance to the October 17 COWU meeting and the ACWA Regions 9 and 10 Joint Event on October 6.

Director Hernandez reported on his attendance to the COWU meeting and a committee meeting regarding the California Association of Sanitation Agencies' video contest.

President Elitharp reported on this attendance to the COWU meeting.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

Director Sannella commented on the video staff created in participation of A Day Without Water and asked that it be presented at the next Board meeting.

Director Sannella commented on an invitation General Manager Pruim received to meet with Senator Joel Anderson on November 2. He recommended the Board's attendance and requested a per diem be allowed for attending the meeting. This item will be placed on a future Board meeting for consideration.

Director Sannella stated he recently attended a breakfast at Palomar West Estates with Mayor Desmond and Vice Mayor Jones. This is the third year he has attended the event. Director Martin stated he didn't believe the Board needed to vote on allowing a per diem to attend the meeting with Senator Joel Anderson. General Manager Pruim will check into it.

Director Hernandez requested status on the timeline for the sale of the District's adjacent property. General Manager Pruim stated it is 30-40 days into the 60-day process and that he has heard from one interested party.

ADJOURNMENT

There being no further business to discuss, President Elitharp adjourned the Regular Meeting of the Board of Directors at the hour of 5:59 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, November 1, 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 Pruim, Secretary
Board of Directors
Vallecitos Water District

VALLECITOS WATER DISTRICT
WARRANTS LIST
November 1, 2017

PAYEE	DESCRIPTION	CHECK#	AMOUNT
CHECKS			
Garnishments	Payroll Garnishments	112132 through 112134	-
ACWA/Joint Powers Insurance	Group Insurance Nov	112135	188,048.70
ACWA/Joint Powers Insurance	Workers Comp Quarter Ending 9-30-17	112136	44,011.91
Airgas USA LLC	Cylinder Rentals 3	112137	675.96
Universal Protection Service LP	Weekly Deposit Svc July	112138	59.36
J.C. Ehrlich Co Inc	Plant Maintenance Oct	112139	263.00
American Water Works Assn	2018 Membership Dues	112140	3,791.00
AMT Performance	Service To Fuel Tank Veh 230	112141	1,847.34
Best Best & Krieger	2015 General Rate Case	112142	543.00
Boot World Inc	Safety Boots	112143	300.00
Brady Sand & Material Inc	Rock & Cold Mix	112144	693.40
Construction Diamond Products Inc	Hardware Supplies	112145	348.85
Core Logic Information Solutions Inc	Real Quest Svc - Engineering Maps Sept	112146	300.00
Corodata Media Storage Inc	Backup Storage Sept	112147	172.74
COSTCO Membership	Membership Renewal 17-18	112148	180.00
David Hernandez	CWEA Cert Renewal	112149	270.00
Diamond Environmental Services	Portable Restroom Rental Mahr	112150	304.94
DirecTV Inc	Satellite Svc Oct	112151	156.98
Doane & Hartwig Water Systems Inc	Dosing Pumps 2 Mahr	112152	12,413.56
Electrical Sales Inc	Lights LS1 & LS3, Back Up Power Supplies 4	112153	4,018.82
Encina Wastewater Authority	Water Testing	112154	7,931.00
Federal Express Corp.	Shipping Svcs Sept	112155	3.15
George & Krogh Welding Inc	Repair - Hinge Welding	112156	25.00
Gov Fin Officers Assoc	Membership Renewal T Scaglione 17-18	112157	160.00
Green Thumb Nursery	Landscaping Supplies Prj 20181-503	112158	79.55
Hach Company	Water Quality Supplies	112159	79.08
Harrington Industrial	Hardware Supplies	112160	190.59
James R Hernandez	COWU Meeting 10-17-17	112161	16.52
Infinisource	Admin Svcs Sept	112162	80.00
JJJ Enterprises	Furnish & Install 3 Control Relays For Shutdown of HVAC Units	112163	1,320.00
JCI Jones Chemicals Inc	Chlorine	112164	3,888.70
Lloyd Pest Control	Pest Control Sept	112165	764.00
Hal Martin	ACWA Event 10-6-17, COWU Meeting 10-17-17	112166	88.64
Matheson Tri-Gas Inc	Cylinder Rental	112167	49.18
Northern Tool & Equipment Co Inc	Actuator, Hardware Supplies	112168	481.46
Olivenhain MWD	Treated Water Sept	112169	86,569.80
Olympic Coatings California	Powder Coating Svc - Baskets On Veh 198	112170	176.49
Ostari Inc	Laptop Hard Drive	112171	47.48
Pacific Pipeline Supply	Brass Bushings 4, Repair Clamp, Hardware Supplies	112172	3,407.84
Penco, Inc.	Trioxyn, Sulfend RT	112173	15,127.49
Plumbers Depot Inc	Water Truck - Collections Department Prj 20181-31	112174	95,151.45
Recycled Aggregate Materials Co Inc	Concrete Recycling	112175	75.00
Rusty Wallis Inc	Soft Water Svc Oct	112176	225.00
Ryan Herco Products Corp.	Hardware Supplies	112177	88.53
SDG&E	Power Sept	112178	99,748.06
San Marcos Unified School Dist	Transportation Services Prj 20181-45	112179	375.00
Sea Breeze Janitorial	Janitorial Svcs MRF Oct	112180	553.13
Smart & Final	Office Supplies	112181	117.78
Standard Insurance Company	LIFE, LTD, ADD Oct	112182	6,422.52
Staples Advantage	Office Supplies	112183	608.27
Univar USA Inc	Sodium Bisulfite, Caustic Soda	112184	4,399.61
UPS	Shipping Svcs Oct	112185	55.29
Verizon Wireless	Ipad & Cell Phone Svc Sept	112186	2,099.16
Vision Internet Providers Inc	Website Support 17-18	112187	4,498.20
Erik Warner	Water Distribution - Tri State Seminar	112188	99.00
Walters Management	Deposit Refund Prj 20171-298	112189	88.30
Tri-City Emergency Medical Group	Medical Svcs Sept	112190	155.00
Xerox Corporation	Copier Lease Aug & Sept	112191	5,178.82
Ace Coolers Inc	Ice Machine Cleaning, Filtration Kit	112192	3,087.08
ACWA	2018 Membership Dues	112193	23,554.73
Air Pollution Control District	Emission Fee Renewals 2	112194	1,805.00
Aqua-Metric Sales Co	Meters 126	112195	18,868.28

VALLECITOS WATER DISTRICT
WARRANTS LIST
November 1, 2017

PAYEE	DESCRIPTION	CHECK#	AMOUNT
CCI	Water Treatment Oct	112196	220.00
Core & Main LP	Temporary Construction Meters 30, Construction Meters 6	112197	23,663.35
Charles P Crowley Co Inc	Rebuild Kits 2 For Coagulant Pumps MRF	112198	1,593.16
Diversified Waterscapes Inc	Compressor 1, Compressor Maintenance Kits 5, Mahr	112199	1,321.98
Freedom Automation Inc	PLC Programming	112200	5,025.00
Fry's Electronics	Water Repellant Back Pack - For Laptop Storage	112201	50.09
Grainger Inc	Pump Installation Materials, Aluminum Pipe, PVC Ball Valves, Hardware Supplies	112202	2,286.08
Haaker Equipment Co.	Gear Repair Svc To Vactor Veh 183	112203	783.31
Harper & Associates Inc	School House Tank Repair Prj 20181-3, LS1 Wet Well Room Prj 20171-4	112204	6,350.00
Hodge Products Inc	Padlocks 14	112205	356.30
Mallory Safety & Supply, LLC	Gloves, Vests, Respirators, Safety Glasses, Safety Supplies	112206	4,710.08
MGM Plastics Inc	Hardware Supplies	112207	129.30
PC Specialists Inc	Apple MacBook	112208	1,604.01
Reed Electric Co	Motor Replacement Mahr	112209	2,242.84
Air Quality Compliance Solutions, Inc.	Fuel Island Maintenance Oct	112210	175.00
Shields, Harper & Co	Fuel Master Hardware Upgrade For New District Vehicles	112211	5,301.26
Specialty Seals & Accessories	Mechanical Seal LS1	112212	1,165.31
T.S. Industrial Supply	Hardware Supplies	112213	242.89
Traffic Supply Inc	Custom Signs 2	112214	624.48
Unifirst Corporation	Uniform Delivery	112215	1,174.45
Union-Tribune Publishing Co.	Advertising Svc - Legal Notices	112216	716.52
Valley Chain & Gear Inc	Hardware Supplies	112217	245.71
Total Disbursements (83 Checks)			<u>706,119.86</u>
WIRES			
San Diego County Water Authority	September Water Bill	Wire	2,772,587.00
CalPERS CERBT	OPEB funding October 27, 2017	Wire	200,000.00
Encina Wastewater Authority	Quarterly Billing	Wire	1,021,880.76
Public Employees Retirement System	Retirement Contribution - October 25, 2017 Payroll	Wire	66,258.85
Total Wires			<u>4,060,726.61</u>
PAYROLL			
Total direct deposits		Wire	222,779.32
VWD Employee Association		112132	510.00
Garnishments		112133 through 112134	970.14
IRS	Federal payroll tax deposit	Wire	92,252.18
Employment Development Department	California payroll tax deposit	Wire	16,801.26
CalPERS	Deferred compensation withheld	Wire	12,922.49
VOYA	Deferred compensation withheld	Wire	3,753.32
Total October 25, 2017 Payroll Disbursements			<u>349,988.71</u>
 TOTAL DISBURSEMENTS			 <u>5,116,835.18</u>

DATE: NOVEMBER 1, 2017
TO: BOARD OF DIRECTORS
SUBJECT: CONSTRUCTION CONTRACT AWARD FOR NURSERY VALVE RELOCATION

BACKGROUND:

Sewer flow from Lift Station No. 1 is pumped into a sewer pipeline in Rancho Santa Fe Road. Sewer flow from Lake San Marcos connects to the same sewer pipeline near Camino Del Arroyo Drive and the combined flows are conveyed to Meadowlark Water Reclamation Facility (MRF). A set of valves along Rancho Santa Fe Road allow flow to be diverted into the emergency bypass pipeline which runs to the Land Outfall. Access to the valves in Rancho Santa Fe Road requires a full lane shutdown of the southbound traffic during routine valve maintenance and emergency operations. Currently the 18-inch downstream valve is no longer functioning.

This project will replace the 18-inch non-operational valve with a new 18-inch valve and relocate it to the southside of Redwing Street, out of Rancho Santa Fe Road. This project will also relocate an existing 16-inch bypass valve out of Rancho Santa Fe Road to a more accessible location along the emergency bypass pipeline within the District's easement. The existing valves in Rancho Santa Fe Road will remain in the "open" position and be left in-place. This project will restore the District's ability to control sewer flow to an essential pipeline while reducing traffic control costs associated with operating these valves, reducing traffic impacts to the community, improving staff safety, and increasing staff efficiency during future operations.

On October 19, 2017 at 2:00 p.m., District staff received and opened bids from 5 contractors with bid results as follows:

<u>Bidder</u>	<u>Amount</u>
Cass Construction Inc.	\$ 84,600
O'Connell Engineering	\$ 95,800
Piperin Corporation	\$ 97,000
SCW Contracting	\$112,161
Charles King Construction	\$143,800

DISCUSSION:

The Engineer's Estimate was \$85,000. Staff and Counsel completed the evaluation of qualifications and determined that Cass Construction was the lowest responsive, responsible bidder.

Staff performed the design and will provide inspection services.

FISCAL IMPACT:

The total estimated cost and budget summary are as follows:

Budget	\$190,000
Construction	\$ 84,600
10% Contingency	\$ 8,460
Staff	\$ 26,000
Overhead	<u>\$ 46,000</u>
Total	\$165,060
Estimated Budget Surplus	\$ 24,940

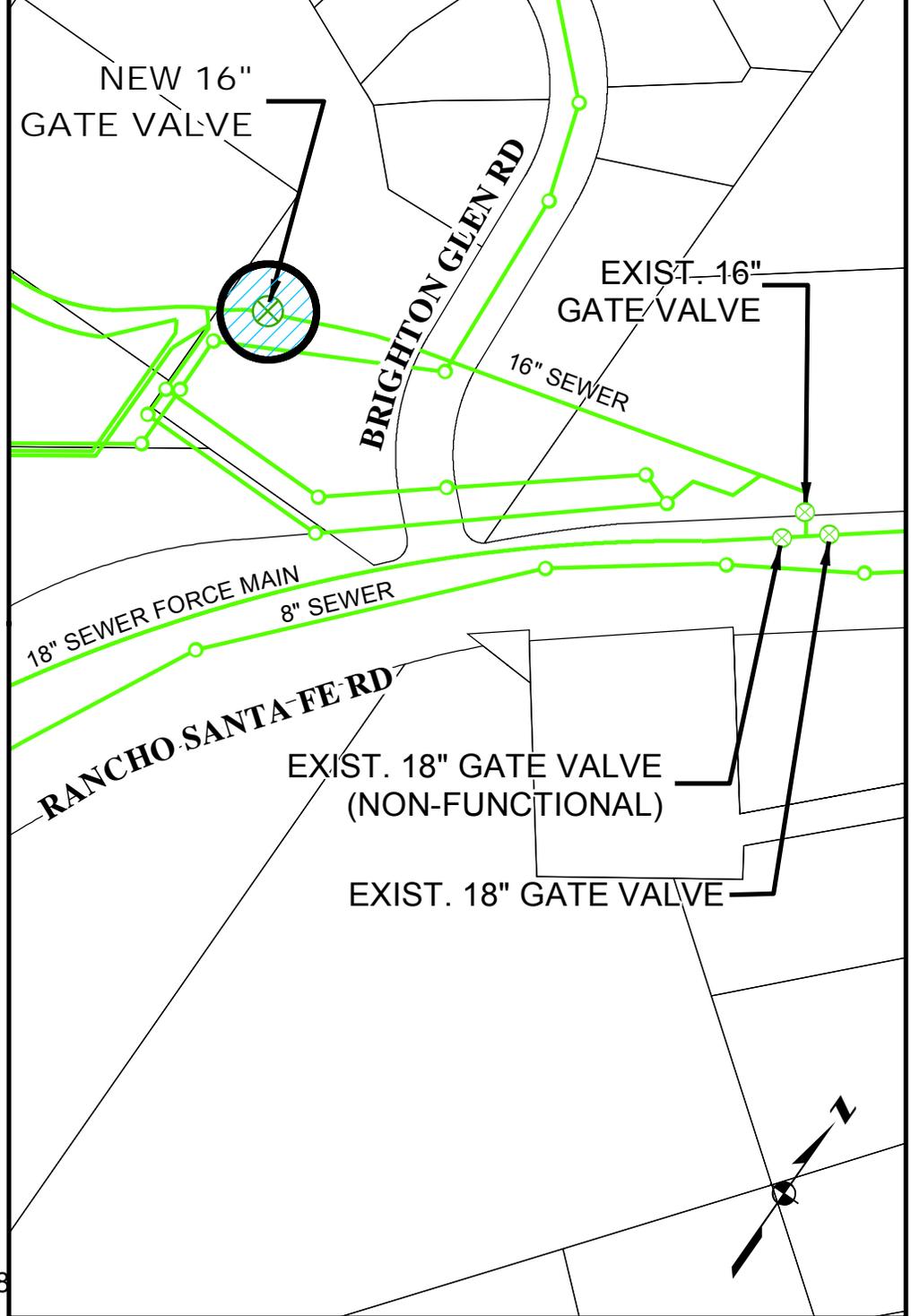
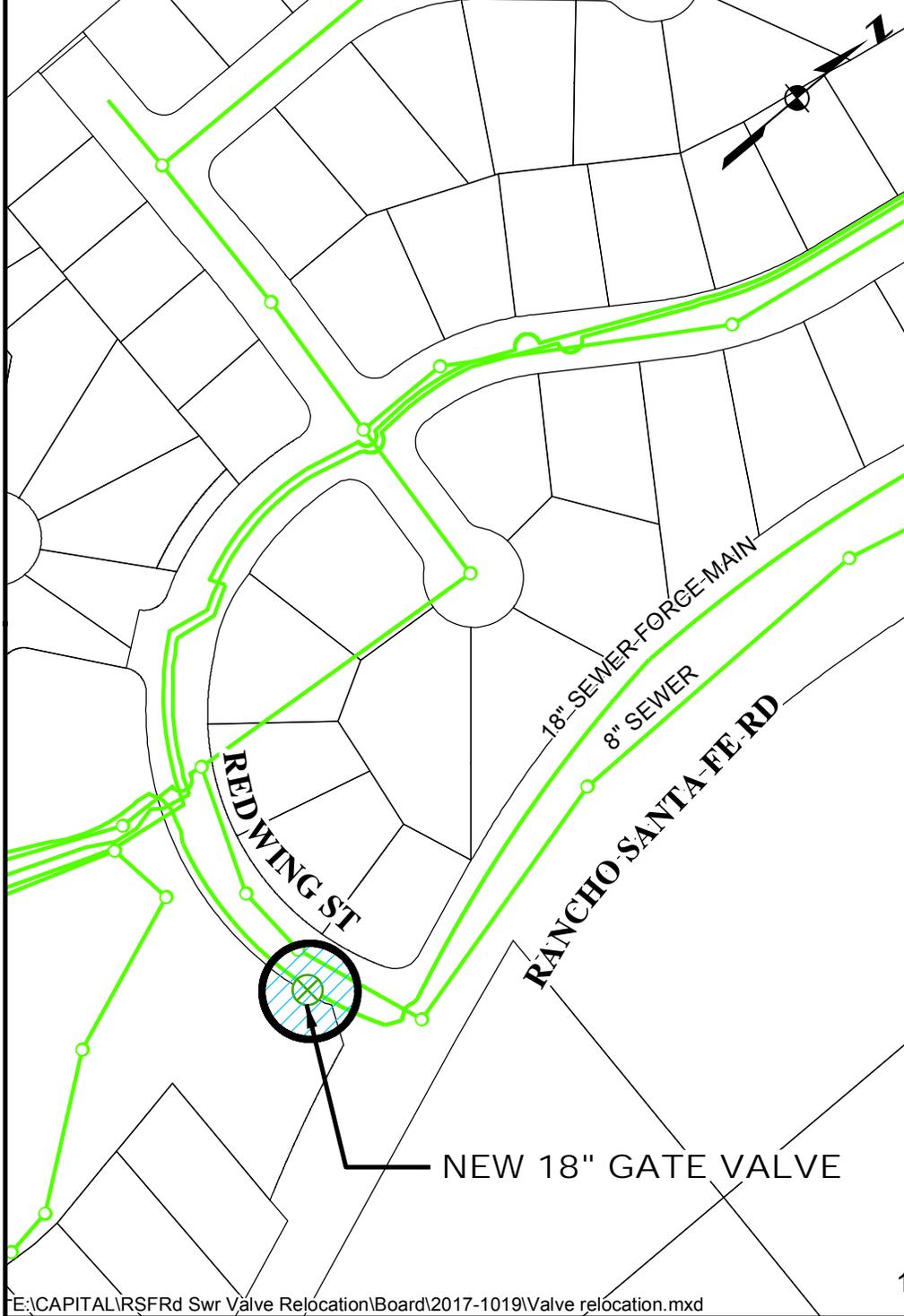
RECOMMENDATION:

Award the construction contract to Cass Construction, Inc. in the amount of \$84,600 and authorize a construction contingency amount of \$8,460 for the Nursery Valve Relocation Project, subject to provisions of the contract.

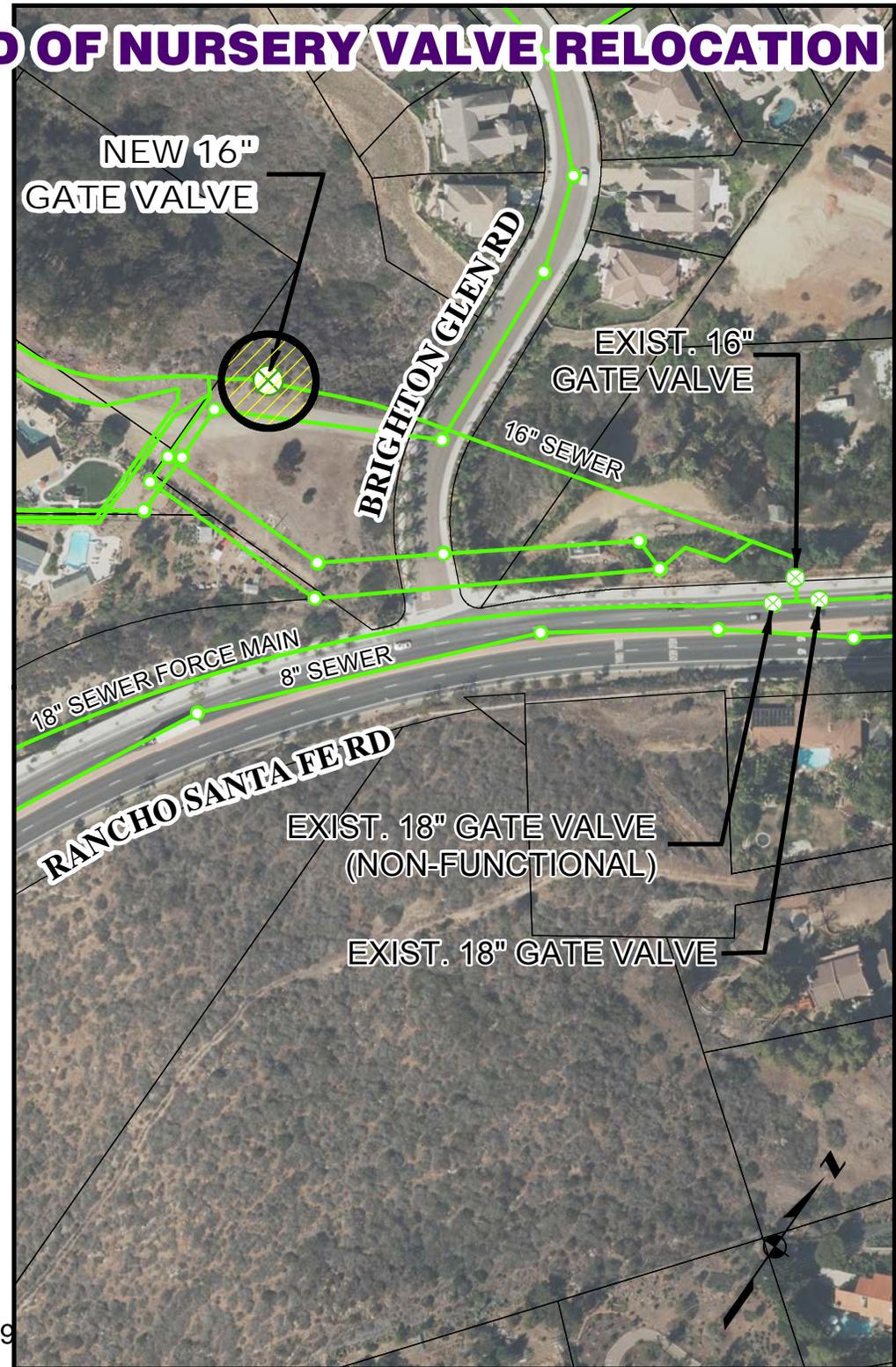
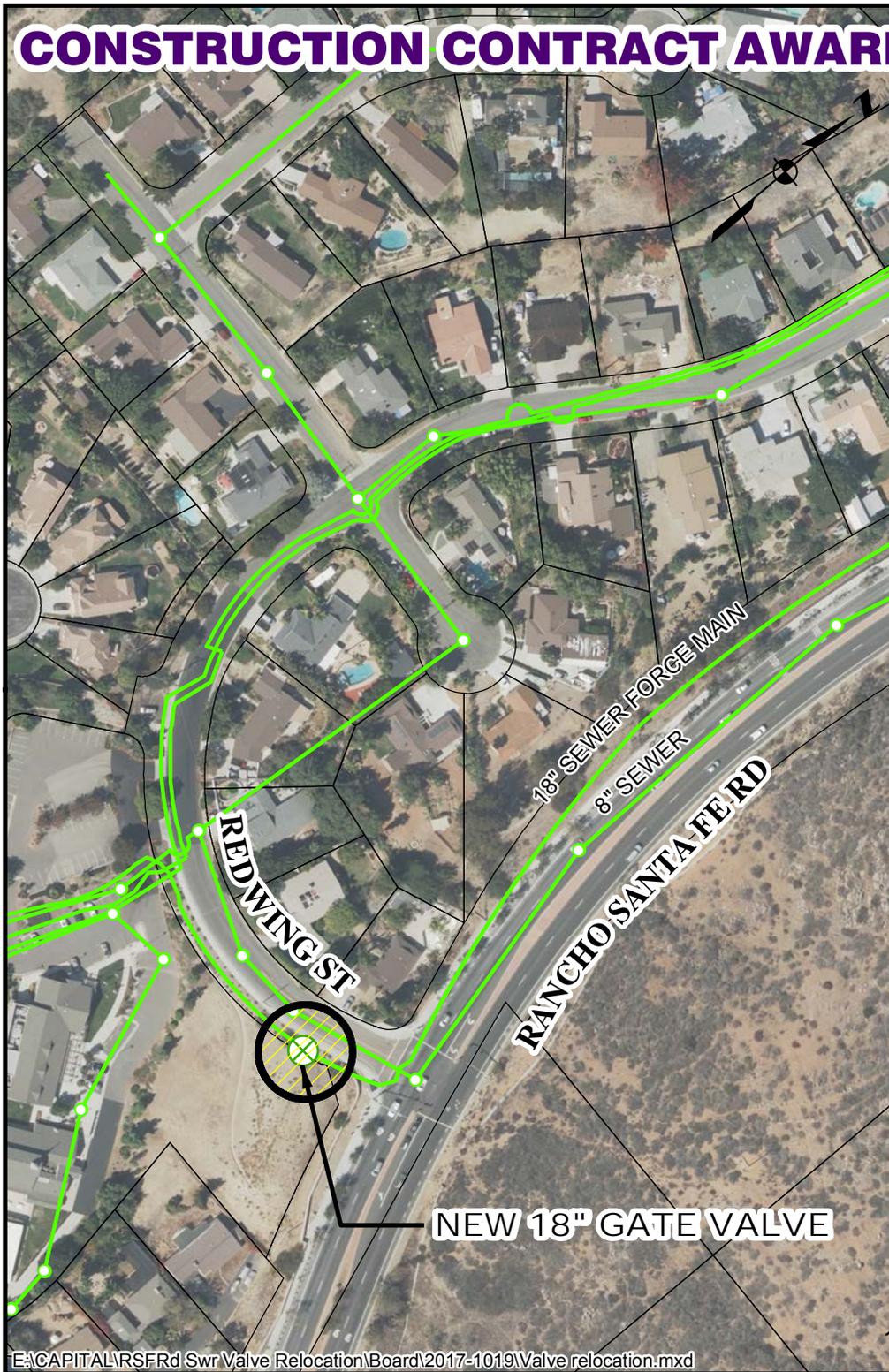
ATTACHMENTS:

Plat and Aerial Exhibit

CONSTRUCTION CONTRACT AWARD OF NURSERY VALVE RELOCATION



CONSTRUCTION CONTRACT AWARD OF NURSERY VALVE RELOCATION



DATE: NOVEMBER 1, 2017
TO: BOARD OF DIRECTORS
SUBJECT: APPROVAL OF CONSTRUCTION AGREEMENT FOR PALISADES ESTATES, APN 172-110-07, 08, 35 & 174-260-03, 04, 09 & 22 (PROGRAM RESOURCES, INC.)

BACKGROUND:

The Palisades Estates development is a proposed residential development consisting of two phases. Phase 1 will consist of 19 single-family lots and 121 acres of open space. Phase 2 will consist of 17 single-family lots and 88 acres of open space. The entire site is on approximately 222.02 acres of unimproved land located east of Elevado Road just west of North Twin Oaks Tank II. The property is within the water service boundaries of the District.

DISCUSSION:

A construction agreement is typically entered into between a developer and the District to ensure that the required public facilities are constructed to support the demands of the development.

For Phase 1, this project will construct approximately 5,664 lineal feet of 16-inch diameter Cement Mortar Lined & Coated (CMLC) water main. No sewer is available in this area; therefore, all properties will be on septic.

The District has been working with the project developer so they can process a map extension through the County of San Diego. On September 6, 2017, the Board approved for the developer to place the necessary funds for Water Capital Facility Fees (\$141,740.00) and for Water Authority Capacity Fees (\$97,983.00) into an escrow account. The attached Construction Agreement being brought before the Board allows deferring of Payment and Performance bonding obligations until 30 days prior to construction (the District typically requires completion of such bonding prior to execution of the Construction Agreement).

Upon completion of the water facilities, water service will be available to 19 single family homes and 121 acres of open space. Phase 2 is proposed to be constructed in the future under a separate construction agreement.

All engineering fees and inspection deposits have been paid prior to Board approval of the Construction Agreement.

The owner will submit standard surety bonds to guarantee completion of the project 30 days prior to construction.

The following bond amounts have been reviewed and approved by staff:

Labor and Materials	\$1,901,376.65
Faithful Performance	\$1,901,376.65

FISCAL IMPACT:

No immediate impact. Funds would be set aside to guarantee Water Capital Facility Fee payment if the project's map extension is approved by the County of San Diego. Payment of Water Capital Facility Fees would be made prior to final building inspection or utility release per lot as required in Resolution No. 1441.

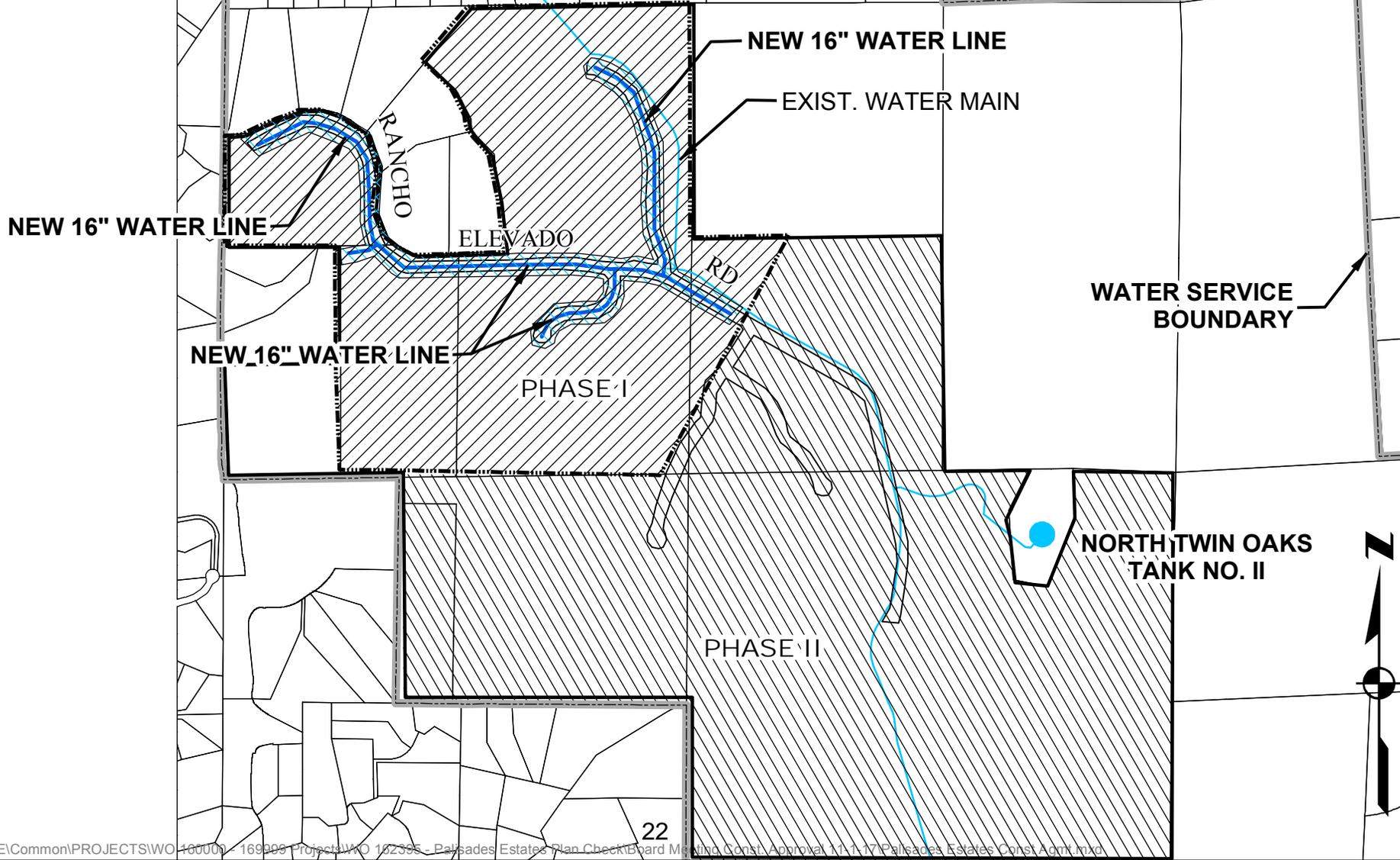
RECOMMENDATION:

Approve the construction agreement for Palisades Estates.

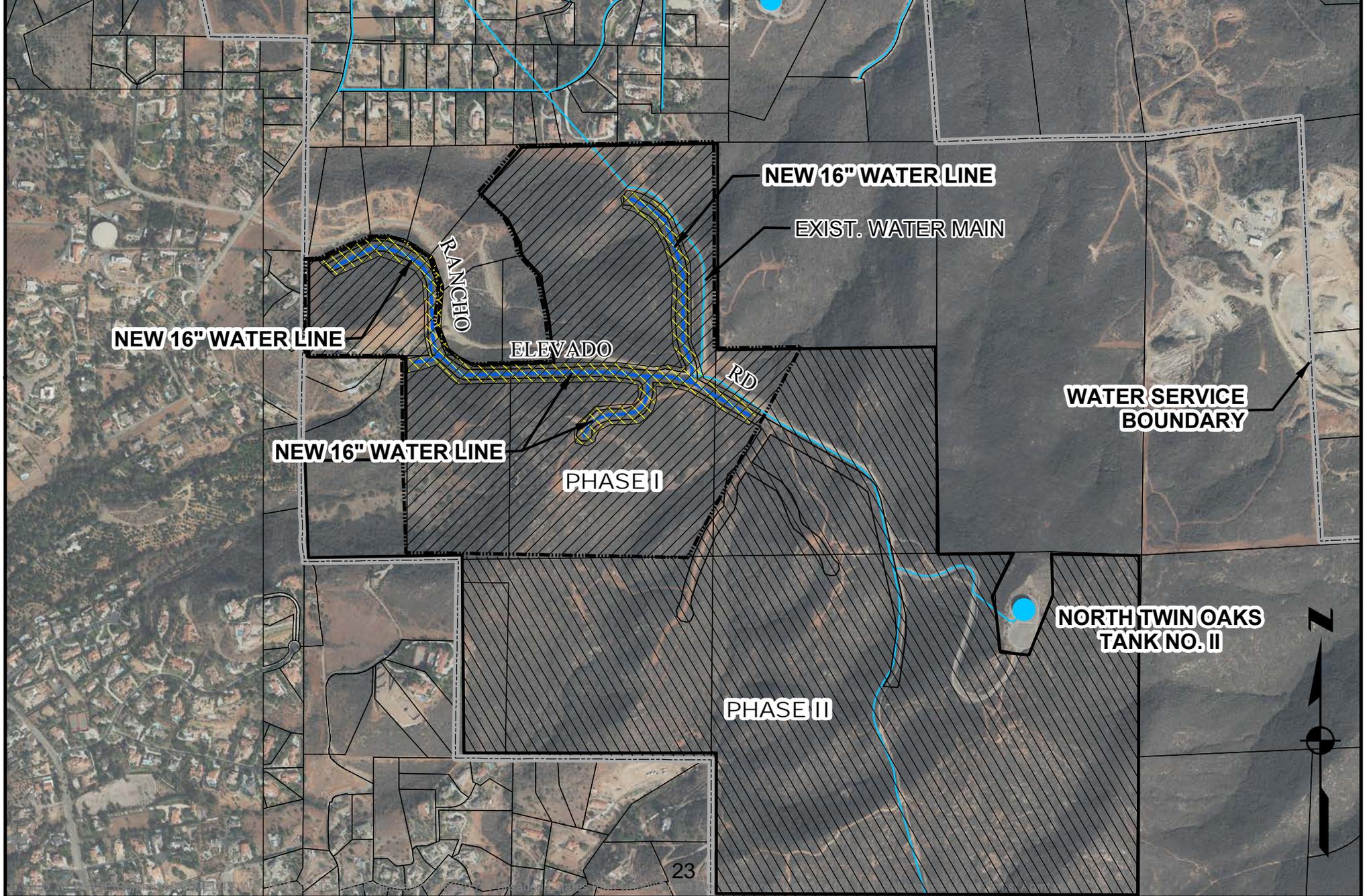
ATTACHMENTS:

2 Map Exhibits – 1 Plat Map & 1 Aerial Map
Construction Agreement

APPROVAL OF CONSTRUCTION AGREEMENT FOR PALISADES ESTATES APN 172-110-07,08, 35 & 174-260-03, 04, 09, 22 (PROGRAM RESOURCES INC.)



**APPROVAL OF CONSTRUCTION AGREEMENT FOR PALISADES ESTATES
APN 172-110-07,08, 35 & 174-260-03, 04, 09, 22
(PROGRAM RESOURCES INC.)**



**AGREEMENT FOR CONSTRUCTION OF FACILITIES TO BE
DEDICATED TO THE VALLECITOS WATER DISTRICT**

THIS AGREEMENT is entered into by and between VALLECITOS WATER DISTRICT (“DISTRICT”), a County Water District organized and operating pursuant to the County Water District Law, California Water Code §§ 30000 et seq., and **PROGRAM RESOURCES, Inc.** (“DEVELOPER”), a **Nevada Corporation**.

RECITALS

1. DEVELOPER desires to improve certain real property which lies within the boundaries of the DISTRICT consisting of approximately **222.02** acres commonly described as Tax Assessor's Parcel Nos. **172-110-07, 08, 09, & 35 and 174-260-03, & 04**, a 19-unit portion (TM5158 – Phase 1-4) of which is subject of the Agreement and is depicted in Exhibit “A” (“PROJECT”).

2. DEVELOPER has requested that DISTRICT provide water and/or sewer service to the PROJECT upon payment of applicable fees, construction and installation by DEVELOPER of the water and/or sewer facilities (“FACILITIES”) necessary to serve the PROJECT and acceptance of the FACILITIES by the DISTRICT.

3. DEVELOPER is required to submit plans and specifications for construction of the FACILITIES for review and approval by DISTRICT. The plans and specifications have been prepared by bHA, Inc., and are identified as **Palisades Estates Improvement Plans, County of San Diego Tract No. 5158 RPLS (VWD WO 162395)**. DEVELOPER shall construct the FACILITIES pursuant to the approved plans and specifications which shall include DISTRICT's standard specifications and applicable special provisions. DEVELOPER shall comply with all terms of this Agreement. All work covered by this Agreement shall be completed on or before 36 months after Board approval. In the event work is not completed by that date, this AGREEMENT shall terminate unless DEVELOPER obtains a written extension from DISTRICT.

COVENANTS

4. **CONDITIONS PRECEDENT TO EXECUTION OF AGREEMENT.** Each of the following items is an express condition precedent to the obligation of the DISTRICT to execute this Agreement:

- 4.1 FEES AND CHARGES.** DEVELOPER shall pay all fees and charges due as established by the DISTRICT in its discretion from time to time. All Capital Facility and Connection fees are non-refundable.
- 4.2 ENVIRONMENTAL REVIEW.** DEVELOPER shall provide the DISTRICT with all environmental documents previously utilized to obtain approvals for the PROJECT. In the event that the DISTRICT determines additional environmental review is necessary, all fees and costs to prepare this additional environmental review shall be borne solely by the DEVELOPER.
- 4.3 APPROVED PLANS AND SPECIFICATIONS.** DEVELOPER shall prepare and submit to the DISTRICT a set of plans and specifications for the FACILITIES. The plans and specifications for the FACILITIES include DISTRICT's standard specifications and applicable special provisions and are incorporated herein by reference as if set forth in full. Approval of these plans and specifications by the DISTRICT shall be a condition precedent to the obligations of the DISTRICT to execute this Agreement. Approval of these plans and specifications by the DISTRICT shall not relieve the DEVELOPER of liability for any improper design or construction of the FACILITIES.
- 4.4 CHANGES TO PLANS AND SPECIFICATIONS.** DISTRICT, without liability to DISTRICT, DISTRICT's engineer and their consultants, and each of their directors, officers, employees, and agents, may require such changes, alterations, or additions to the plans and specifications which do not exceed ten percent (10%) of the original DISTRICT estimated cost of the work as may be determined necessary or desirable by DISTRICT in its sole discretion, including those necessary due to errors or omissions in the approved plans or specifications. Changes, alterations, or additions without said 10% limitation may be made for unforeseen conditions such as rock excavation, unstable soil conditions, or high water tables requiring dewatering.

5. COMMERCIAL GENERAL LIABILITY AND AUTOMOBILE LIABILITY INSURANCE. Prior to construction of FACILITIES under this Agreement, the DEVELOPER shall provide and maintain the following commercial general liability and automobile liability insurance:

- 5.1 COVERAGE.** Coverage for commercial general liability and automobile liability insurance shall be at least as broad as the following:

- A. Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 0001);
- B. Insurance Services Office (ISO) Business Auto Coverage (Form CA 0001), covering Symbol 1 (any auto).

5.2 LIMITS. The DEVELOPER shall maintain limits no less than the following:

- A. General Liability - One million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit or products-completed operations aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2503, or ISO CG 2504, or insurer's equivalent endorsement provided to DISTRICT) or the general aggregate limit and products-completed operations aggregate limit shall be twice the required occurrence limit.
- B. Automobile Liability - One million dollars (\$1,000,000) for bodily injury and property damage each accident limit.

5.3 REQUIRED PROVISIONS. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

- A. DISTRICT, its directors, officers, employees, and authorized volunteers are to be given insured status (via ISO endorsement CG 2010, CG 2033, or insurer's equivalent for general liability coverage) as respects: liability arising out of activities performed by or on behalf of the DEVELOPER; products and completed operations of the DEVELOPER; premises owned, occupied or used by the DEVELOPER; and automobiles owned, leased, hired or borrowed by the DEVELOPER. The coverage shall contain no special limitations on the scope of protection afforded to DISTRICT, its directors, officers, employees, or authorized volunteers.
- B. For any claims related to this project, the DEVELOPER's insurance shall be primary insurance as respects DISTRICT, its directors, officers, employees, or authorized volunteers. Any insurance, self-insurance, or other coverage maintained by DISTRICT, its directors, officers, employees, or authorized volunteers shall not contribute to it.
- C. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to DISTRICT, its directors, officers, employees, or authorized volunteers.

D. The DEVELOPER's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

E. Each insurance policy required by this agreement shall state, or be endorsed to state, that coverage shall not be canceled by the insurance carrier or the DEVELOPER, except after thirty (30) days (10 days for non-payment of premium) prior written notice by U.S. mail has been given to DISTRICT.

Such liability insurance shall indemnify the DEVELOPER and his/her sub-DEVELOPER's against loss from liability imposed by law upon, or assumed under contract by, the DEVELOPER or his/her sub-DEVELOPER's for damages on account of such bodily injury (including death), property damage, personal injury, completed operations, and products liability.

The general liability policy shall cover bodily injury and property damage liability, owned and non-owned equipment, blanket contractual liability, completed operations liability, explosion, collapse, underground excavation, and removal of lateral support. Additionally, the automobile liability policy shall cover all owned, non-owned, and hired automobiles.

All of the insurance shall be provided on policy forms and through companies satisfactory to DISTRICT.

6. DEDUCTIBLES AND SELF-INSURED RETENTIONS. Any deductible or self-insured retention must be declared to and approved by DISTRICT. At the option of DISTRICT, the insurer shall either reduce or eliminate such deductibles or self-insured retentions.

7. ACCEPTABILITY OF INSURANCE. Insurance is to be placed with insurers having a current A.M. Best rating of no less than A-:VII or equivalent or as otherwise approved by DISTRICT.

8. WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE. The DEVELOPER and all sub-DEVELOPERs shall insure (or be a qualified self-insured) under the applicable laws relating to workers' compensation insurance, all of their employees working on or about the construction site, in accordance with the "Workers' Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any Acts amendatory thereof. The DEVELOPER shall provide employer's liability insurance with limits of no less than \$1,000,000 each accident, \$1,000,000 disease policy limit, and \$1,000,000 disease each employee.

9. RESPONSIBILITY FOR WORK. Until the completion and final acceptance by DISTRICT of all the work under and implied by this agreement, the work shall be under the DEVELOPER's responsible care and charge. The DEVELOPER shall rebuild, repair, restore and make good all injuries, damages, re-erections, and repairs occasioned or rendered necessary by causes of any nature whatsoever.

10. EVIDENCE OF INSURANCE. Prior to construction of FACILITIES under this Agreement, the DEVELOPER shall file with DISTRICT a certificate of insurance (Accord Form 25-S or equivalent) signed by the insurer's representative evidencing the coverage required by this agreement. Such evidence shall include an additional insured endorsement signed by the insurer's representative and evidence of waiver of rights of subrogation against DISTRICT (if builder's risk insurance is applicable). Such evidence shall also include confirmation that coverage includes or has been modified to include **Required Provisions, A-E.**

The DEVELOPER shall, upon demand of DISTRICT, deliver to DISTRICT such policy or policies of insurance and the receipts for payment of premiums thereon.

11. CONTINUATION OF COVERAGE. If any of the required coverage expires during the term of this agreement, the DEVELOPER shall deliver the renewal certificate(s) including the general liability additional insured endorsement and evidence of waiver of rights of subrogation against DISTRICT (if builder's risk insurance is applicable) to DISTRICT at least ten (10) days prior to the expiration date.

12. SUB-DEVELOPERS. In the event that the DEVELOPER employs other DEVELOPERS (sub-DEVELOPERS) as part of the work covered by this Agreement, it shall be the DEVELOPER's responsibility to require and confirm that each sub-DEVELOPER meets the minimum insurance requirements specified above.

13. SECURITY. Thirty (30) days prior to pre-construction activities for the FACILITIES, DEVELOPER shall provide the DISTRICT with a payment bond and a performance bond, each in the amount of **\$1,889,025.65**. As provided in Section 17 of this Agreement, Developer shall not commence construction of any FACILITIES required by this Agreement until Developer has received written authorization from the DISTRICT to proceed. The DISTRICT shall not issue a written authorization to commence construction of any FACILITIES until DEVELOPER has provided the payment and performance bond required herein. Each payment and performance bond shall represent 100% of the estimated construction costs of the FACILITIES. Bonds shall be furnished by surety companies satisfactory to the DISTRICT. Surety companies, to be acceptable to the DISTRICT, must have an acceptable rating from Best's Key Rating Guide, authorized to do business and have an agent for service of process in California.

If at any time a surety on any such bond is declared as bankrupt or loses its right to do business in the state of California for any reason, DEVELOPER shall, within ten (10) days after notice from the DISTRICT, substitute acceptable bonds in such form and sum and signed by such other surety or sureties as may be satisfactory to the DISTRICT in its sole discretion. The premium on such bonds shall be paid by the DEVELOPER.

In the event the PROJECT is sold, transferred or assigned the performance and payment bonds shall remain in effect unless new bonds acceptable to the DISTRICT have been provided.

The performance and the payment bonds must remain in effect throughout the period for performance of the work until the work is accepted by formal action of the Board of Directors of the DISTRICT.

In lieu of providing these performance and payment bonds, DEVELOPER may provide the DISTRICT with a cash deposit to replace either or both of these bonds, or may provide the DISTRICT with an Instrument of Credit, or Irrevocable Letter of Credit on a form acceptable to the DISTRICT. No substitution or modification of the DISTRICT's standard Instrument of Credit or Irrevocable Letter of Credit shall be accepted without approval of the DISTRICT.

14. DEVELOPER'S FAILURE TO PROVIDE INSURANCE OR BONDS. In the event any insurance or security provided to the DISTRICT in accordance with this Agreement is terminated or canceled for any reason, or is limited in the scope of coverage required by this Agreement, DEVELOPER shall have thirty (30) consecutive days from written notice from DISTRICT to procure the required insurance or security. The failure of DEVELOPER to present alternative insurance or security acceptable to DISTRICT within this thirty- (30-) day period shall constitute a material breach of this Agreement entitling the DISTRICT to unilaterally terminate this Agreement or sue DEVELOPER for damages at the election of the DISTRICT.

15. EASEMENTS. Prior to execution of this Agreement, DEVELOPER shall provide DISTRICT with a current preliminary title report issued within the last 90 days covering all properties in which easements are to be granted to the DISTRICT. The cost of the preliminary title report shall be borne solely by DEVELOPER. DEVELOPER shall provide the DISTRICT with such easements as the DISTRICT may require, as determined by the DISTRICT in its sole discretion. All easements to be conveyed to the DISTRICT shall be prepared on the DISTRICT's standard form easements. All easements shall: (1) be of a width satisfactory to DISTRICT, in no case less than twenty (20) feet without specified approval of the Board of Directors; (2) be free and clear of all liens and/or encumbrances which could affect title to the easement; and (3) have recorded subordination agreements for all trust deeds or other liens to insure that the DISTRICT

has prior rights in any easements being conveyed to the DISTRICT. DEVELOPER shall procure a policy of title insurance in favor of the DISTRICT covering easements to be granted in amounts determined by the DISTRICT subject only to those conditions of record acceptable to the DISTRICT. All fees and costs to procure easements required by the DISTRICT shall be borne solely by DEVELOPER. Nothing in this Agreement shall obligate the DISTRICT to exercise its condemnation authorities to acquire any easement determined necessary by the DISTRICT. All easements being conveyed to the DISTRICT must be in a recordable form acceptable to the DISTRICT prior to approval of plans and specifications by the DISTRICT.

16. QUALIFIED SERVICE COMMITMENT. Nothing in this Agreement is intended to limit the power of the DISTRICT to restrict the use of water as provided by California Water Code §§ 350 et seq., and §§ 31026 et seq. DEVELOPER is advised and understands that the ability of the DISTRICT to provide water service to the PROJECT is dependent upon the continuing availability of water imported to the DISTRICT from other agencies. In the event of a water shortage, threatened water shortage, or an emergency, water service to DEVELOPER's project may not be available or may be curtailed or restricted. Consequently, the DISTRICT cannot guarantee that water will be available at the time service is requested. The declaration of a water shortage, threatened water shortage or emergency shall be exercised in the sole discretion of the DISTRICT. DEVELOPER agrees that the DISTRICT shall not be liable for any damages, costs, fees, or expenses of any kind, caused by any curtailment, restriction, or termination of potable water service determined necessary by the DISTRICT.

17. CONSTRUCTION OF FACILITIES. DEVELOPER shall not commence construction of any FACILITIES required by this Agreement until DEVELOPER has received written authorization from the DISTRICT to proceed. All work performed on the FACILITIES shall be done in strict compliance with the approved plans and specifications and in a good and workmanlike manner as determined by the DISTRICT in its sole discretion. All work performed on the FACILITIES by DEVELOPER shall be subject to inspection by the DISTRICT's designated representatives and DEVELOPER shall comply with all instructions given by the DISTRICT's representative during construction of the work. All fees and costs to construct the FACILITIES shall be borne by DEVELOPER.

18. COMPLIANCE WITH APPLICABLE LAW. DEVELOPER shall insure that all work performed on the project is performed in a manner which complies with all applicable federal and state laws and all county and local government rules and regulations, including all rules and regulations of DISTRICT, as these rules and regulations may be modified or changed from time to time. DEVELOPER shall be solely responsible for obtaining and paying for all permits, licenses

and approvals necessary to construct the FACILITIES. DEVELOPER shall provide verification that permits, licenses and approvals have been obtained promptly upon demand from DISTRICT.

19. PREVAILING WAGES. DEVELOPER is aware of the provisions of California Labor Code §§ 1770 et seq., which requires the payment of prevailing wage rates and the performance of other requirements if it is determined that DEVELOPER's contract with its contractor to construct the FACILITIES is a public works contract. DEVELOPER agrees to hold the DISTRICT and its officers, employees and agents harmless from any claim of liability, including costs of defense and attorney's fees, arising from any alleged failure to comply with these provisions of the Labor Code.

DEVELOPER, and not the DISTRICT, shall be liable for insuring that prevailing wages, as set by the Director of the Department of Industrial Relations, have been paid for all work performed in accordance with this contract. In the event of any claim, DEVELOPER shall provide the DISTRICT with all information in DEVELOPER's possession concerning the claim within ten (10) consecutive days following written demand from the DISTRICT.

20. UTILIZATION OF A PORTION OF WORK. DISTRICT shall have the right upon written notification to the DEVELOPER to utilize such portions of the work DISTRICT deems sufficiently complete to be utilized or placed into service.

21. ACCEPTANCE OF WORK. Upon completion of the FACILITIES required by this Agreement to the satisfaction of the DISTRICT, the FACILITIES which have been constructed shall be presented to the Board of Directors of the DISTRICT for dedication and the filing of a Notice of Completion. The DISTRICT shall have no obligation to accept the FACILITIES or file a Notice of Completion if the design and/or construction of the work is not satisfactory to the DISTRICT in its sole discretion. Upon recordation of a Notice of Completion, all right, title, ownership and interest in the FACILITIES shall be deemed to have been transferred to the DISTRICT. DEVELOPER shall not allow any part of PROJECT to be occupied prior to acceptance of FACILITIES by DISTRICT.

22. WATER SERVICE MAINTENANCE AFTER ACCEPTANCE OF WORK. Due to the uncertainty of prompt sale/construction/occupancy of the project's lots and based on the need to provide adequate flow to residences, DEVELOPER shall be responsible for periodic flushing of the services within the subdivision until such time as the subdivision is sold. The DISTRICT and DEVELOPER will cooperate to provide manpower and schedule work.

23. LIABILITY FOR WORK PRIOR TO FORMAL ACCEPTANCE. Until the Board of Directors of the DISTRICT has formally accepted all work performed in accordance with this Agreement, DEVELOPER shall be solely responsible for all damage to the work regardless of

cause and for all damages or injuries to any person or property from any cause excepting injury or damage caused by the sole or active negligence of DISTRICT, its agents, servants or employees.

24. LIABILITY AFTER ACCEPTANCE OF WORK. After the Board of Directors of the DISTRICT has accepted the FACILITIES by formal action of the Board, DEVELOPER and DEVELOPER's successors in interest shall remain liable for all injuries or damage to persons or property including damage to the work itself, arising from or related to design or construction of the FACILITIES.

25. RELEASE OF SECURITY. Forty (40) days after the Notice of Completion has been filed by the DISTRICT, the DISTRICT shall release any security previously provided by DEVELOPER, as long as no claims have been filed. The security shall not be released until the DISTRICT has received a warranty bond or alternative security acceptable to the DISTRICT covering 25% of the original performance bond or alternative security amount. DISTRICT must have warranty bond prior to Board acceptance of the project. This new security shall remain in effect until the warranty period has expired One (1) year from final Board Acceptance and DEVELOPER has corrected all defects noted by the DISTRICT during the warranty period.

26. WARRANTY. DEVELOPER shall and hereby does guarantee all work and materials for the FACILITIES to be free from all defects due to faulty materials or workmanship for a period of one (1) year after the date of acceptance of the work by the DISTRICT. The DEVELOPER shall repair or remove and replace any and all such work, together with any other work which may be displaced in so doing, that is found to be defective in workmanship and/or materials within said one-year period without expense whatsoever to the DISTRICT, ordinary wear and tear and unusual abuse or neglect excepted. In the event DEVELOPER fails to comply with the above-mentioned conditions within one (1) week after being notified in writing, the DISTRICT is authorized to proceed to have the defects remedied and made good at the expense of DEVELOPER who agrees to pay the cost and charges therefore immediately upon demand. Such action by the DISTRICT will not relieve the DEVELOPER of the guarantee required by this section. This section does not in any way limit liability of the DEVELOPER for any design defects or defects in the work subsequently discovered by the DISTRICT.

27. INDEMNITY. DEVELOPER shall be solely responsible and liable for design defects or defects in work performed to construct the FACILITIES required by this Agreement. This shall include liability and responsibility for injury or damage to the work itself. DEVELOPER hereby agrees to hold harmless, indemnify and defend the DISTRICT, the DISTRICT's representatives and each of the DISTRICT's officers, employees and agents from any and all claims, suits or

action of every name, kind and description brought for or on account of injuries to or death of any person or damage to any property resulting from design or construction of the FACILITIES except where the injury or damage has been caused by the sole and active negligence of the DISTRICT, its agents, servants or employees. In the event that any suit is instituted naming the DISTRICT as a party, the DISTRICT shall be entitled to appoint its own independent counsel to represent the DISTRICT; and DEVELOPER agrees to pay all attorney's fees and litigation costs associated with this defense. This indemnity shall extend to any claims arising because DEVELOPER has failed to properly secure any necessary easement, land right, contract or approval

28. AS-BUILT DRAWINGS. Prior to acceptance of the work by the Board of Directors of the DISTRICT, DEVELOPER shall provide the DISTRICT with two (2) blueprint copies of "as-built" drawings. Upon approval of the blueprint copies the DISTRICT will require a bonded mylar or original drawing, disk and certification by a licensed engineer in the state of California as to the accuracy and completeness of the "as-built" drawings.

29. CASH DEPOSITS. DEVELOPER shall provide the DISTRICT with an initial cash deposit in the amount of \$41,850.00 to cover all DISTRICT fees and costs associated with the FACILITIES. When this deposit has been drawn down to \$2,500 DEVELOPER agrees to deposit such additional sums as the DISTRICT may determine from time to time to cover all fees and costs of the DISTRICT. Prior to final acceptance of the project, a final accounting will be forwarded to the developer for payment. Additional deposits for additional inspections after acceptance of the project may be requested.

30. MISCELLANEOUS PROVISIONS.

30.1 VENUE. In the event of any legal or equitable proceeding to enforce or interpret the terms or conditions of this Agreement, the parties agree that venue shall lie only in the federal or state courts in or nearest to the North County Judicial District, County of San Diego, State of California.

30.2 MODIFICATION. This Agreement may not be altered in whole or in part except by a modification, in writing, executed by all the parties to this Agreement.

30.3 ATTORNEY'S FEES. In the event of any legal or equitable proceeding to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to all reasonable attorney's fees and costs in addition to any other relief granted by law. This provision shall apply to the entire Agreement.

30.4 ENTIRE AGREEMENT. This Agreement, together with all the exhibits attached to this Agreement, contains all representations and the entire

understanding between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda or agreements are in conflict with this Agreement are intended to be replaced in total by this Agreement and its exhibits.

- 30.5 ASSIGNMENTS.** DEVELOPER shall not be entitled to assign all or any portion of its rights or obligations contained in this Agreement without obtaining the prior consent of the DISTRICT, which consent shall not be unreasonably withheld. Any purported assignment without the DISTRICT's prior written consent shall be void.
- 30.6 BINDING EFFECT.** This Agreement shall inure to the benefit of and be binding upon the parties and their respective purchasers, successors, heirs and assigns.
- 30.7 UNENFORCEABLE PROVISIONS.** The terms, conditions and covenants of this Agreement shall be construed whenever possible as consistent with all applicable laws and regulations. To the extent that any provision of this Agreement, as so interpreted, is held to violate any applicable law or regulation, the remaining provisions shall nevertheless be carried into full force and effect and remain enforceable.
- 30.8 REPRESENTATION OF CAPACITY TO CONTRACT.** Each of the parties to this Agreement represents and warrants that he has the authority to execute this Agreement on behalf of the entity represented by that individual.
- 30.9 OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT COUNSEL.** DEVELOPER has been advised and understands that this Agreement has been prepared by The Law Offices of Jeffrey G. Scott, general counsel, who represents only the DISTRICT. DEVELOPER warrants and represents that DEVELOPER has been advised to consult independent legal counsel of its own choosing and has had a reasonable opportunity to do so prior to executing this Agreement.
- 30.10 NO WAIVER.** The failure of either party to enforce any term, covenant or condition of this Agreement on the date it is to be performed shall not be construed as a waiver of that party's right to enforce this, or any other, term, covenant or condition of this Agreement at any later date or as a waiver of any term, covenant or condition of this Agreement.

30.11 NOTICES. All letters, statements or notices required pursuant to this Agreement shall be deemed effective upon receipt when personally served or when sent certified mail, return receipt requested to the following addresses:

30.12 EFFECTIVE DATE. The effective date of this Agreement, executed in counterparts in the North County Judicial District, County of San Diego, State of California, is _____ 2017 (Board Approval Date).

**“DISTRICT”
VALLECITOS WATER DISTRICT**

By: _____
Glenn Pruim, Secretary
Board of Directors
Vallecitos Water District

Dated: _____

“DEVELOPER”

Name: _____

Title: _____

Company: _____

Signature*: _____

Dated: _____

*Acknowledgment of the signature(s) of authorized representative(s) of DEVELOPER executing this Construction Agreement, by a Notary Public, is required. Attach acknowledgment to this page.

DATE: NOVEMBER 1, 2017
TO: BOARD OF DIRECTORS
SUBJECT: PURCHASE OF NIMBLE STORAGE FOR COMPUTER SERVERS

BACKGROUND:

The Information Technology (IT) Department budget for 2017/18 includes replacement of Dell EqualLogic storage for the District’s computer servers at the Administrative site. Dell announced last year it was discontinuing the EqualLogic technology and support would be limited, eventually unavailable. Currently, the EqualLogic storage is 7.1 terabytes (TB). As this is the maximum capacity, infrastructure cannot be expanded and server performance is impacted. There is a second EqualLogic unit for the Disaster Recovery (DR) site at Meadowlark Reclamation Facility (MRF) with performance issues that also needs to be replaced.

DISCUSSION:

Quotes from vendors were initially provided for one storage unit with usable storage of 20TB. When discussing options with the vendors, staff determined it was more cost effective to purchase two storage units at the same time and replace the EqualLogic units at both sites, instead of budgeting for a second unit next year. Having the same type of storage would simplify data replication between the two sites and provide the District with the best option for the budgeted amount. Staff worked with an IT consultant (Ostari) to compare different storage options from four vendors as follows:

	Datrium	Reduxio	Nimble	Tintri
Cost	\$78,000	\$70,000	\$76,000	\$90,000
DR Site	Yes	No	Yes	Yes
RAW Capacity	30TB	9.6TB	21TB	12TB
Usable Capacity	120TB	36TB	30TB	23TB
Support	3 years	3 years	3 years	3 years
Install Included	Yes	No	Yes	No

All the storage options had comparable technology and features, however, Nimble was determined to be the best fit for the District’s needs. Nimble was recently bought by Hewlett Packard and is highly recommended by other local agencies. In addition, Nimble includes InfoSight Predictive Storage Analysis software which monitors trends and patterns and provides alerts before issues happen. InfoSight can predict the failure of any part of the unit, report it, and have the replacement part delivered next business day. Infosight also reduces troubleshooting time from hours to minutes. Other benefits of Nimble include ease of installation and free quarterly trainings for IT staff in Kearny Mesa. To remain under budget, support for Nimble will be for one year instead of three years reducing the cost from \$76,000 to \$64,000.

FISCAL IMPACT:

Total purchase price of \$69,500 (includes tax and shipping) to replace the EqualLogic storage as authorized in the 2017/18 budget for \$70,000; ongoing support of \$6,000/year for both units.

RECOMMENDATION:

Approve the purchase for Nimble Storage from Nth Generation, the designated reseller.

DATE: NOVEMBER 1, 2017
TO: BOARD OF DIRECTORS
SUBJECT: COMMUNICATIONS SITE LICENSE AGREEMENT WITH THE REGENTS OF THE UNIVERSITY OF CALIFORNIA FOR THE INSTALLATION, USE, MAINTENANCE AND REPAIR OF RADIO COMMUNICATION FACILITIES

BACKGROUND:

The District has been approached by a representative for The Regents of the University of California requesting the installation of radio communication facilities at the Coronado Hills Tank site (APN 222-101-12) at 21855 Washingtonia Drive. The radio communication facilities would become part of the network described below.

The Area Situational Awareness for Public Safety Network (ASAPnet) is a public/private partnership-based extension of the University of California San Diego's High Performance Wireless Research and Education Network (HPWREN) infrastructure project for the benefit of public safety communities, especially firefighters in San Diego County in their function as first responders. This project seeks to build out wireless Internet data communications capabilities to firefighter assets, while also utilizing environment-observing cameras and other sensors.

Project partners include the County of San Diego, the California Department of Forestry and Fire Protection (CAL FIRE), the United States Forest Service (USFS), San Diego Gas and Electric (SDG&E), The University of California San Diego (UCSD), and San Diego State University (SDSU).

HPWREN, a University of California San Diego partnership project led by the San Diego Supercomputer Center and the Scripps Institution of Oceanography's Institute of Geophysics and Planetary Physics, supports Internet-data applications in the research, education, and public safety realms.

HPWREN functions as a collaborative, Internet-connected cyberinfrastructure. The project supports a high-bandwidth wireless backbone and access data network in San Diego, Riverside, and Imperial counties in areas that are typically not well-served by other technologies to reach the Internet. This includes backbone locations, typically sited on mountain tops, to connect often hard-to-reach areas in the remote Southern California back country.

The network supports a wide range of network application requirements, ranging from the high-volume astronomical data generated by the Palomar Observatory, to a steady output of continuous, low-volume traffic from many devices such as earthquake and other environment-observing sensors, which deliver real-time data. HPWREN includes permanent sites as well as those created temporarily and on short notice, such as firefighter Incident Command Posts (ICPs). HPWREN saw use in several of the major wild fires to hit San Diego County across many years.

The network spans from San Clemente Island in the Pacific Ocean, via the southern California coast to the inland valleys, east toward the mountain elevations of almost 9,000 feet, and the remote desert, reaching almost to the Arizona border. The network's longest link is 72 miles in distance, from the San Diego Supercomputer Center to San Clemente Island.

DISCUSSION:

Staff from the District's Operations Department met with a network engineer from ASAPnet/HPWREN in September of 2017, regarding the District's Coronado Hills Tank radio repeater site, to determine if it was a potential location for a radio repeater that could be added to the ASAPnet/HPWREN network. Testing determined that the Coronado Hills Tank site was an ideal location for the new radio repeater. The location provides for very good signal quality and the fenced compound provides some security from vandalism and tampering.

The radio communication facilities would be located in the northeast corner of the Coronado Hills Tank property, within the fenced compound (see Exhibit A). The radio communication facilities will cover an area of approximately 100 square feet (10 feet by 10 feet) and will be located where a District antenna tower now stands. There will be no impacts to sensitive vegetation.

The radio communication facilities would be located in an area that would not conflict with access, maintenance or operation of the existing Coronado Hills Tank. The communications site license agreement requires The Regents of the University of California to maintain insurance of sufficient coverage to protect the District from liability. The agreement also allows the District to revoke this license for any purpose upon 30 days written notice.

The District's legal counsel has reviewed this agreement.

FISCAL IMPACT:

None. The District would be providing the site for the radio communication facilities as a public service.

RECOMMENDATION:

Authorize the execution of a communications site license agreement with The Regents of the University of California for the installation, use, maintenance, and repair of radio communication facilities on the Coronado Hills Tank site.

ATTACHMENTS:

- 1 – Exhibit A – Aerial Vicinity Map
- 2 - Exhibit B – Aerial Site Map
- 3 – Exhibit C – Self-Supporting Tower Details
- 4 – ASAPnet Communications Site License Agreement

"EXHIBIT A"

WASHINGTONIA DR

CORONADO HILLS
TANK REPEATER



Exhibit B



CORONADO HILLS TANK



"EXHIBIT B"

**CORONADO HILLS
TANK REPEATER**



TANK



"EXHIBIT C"

SELF-SUPPORTING TOWERS





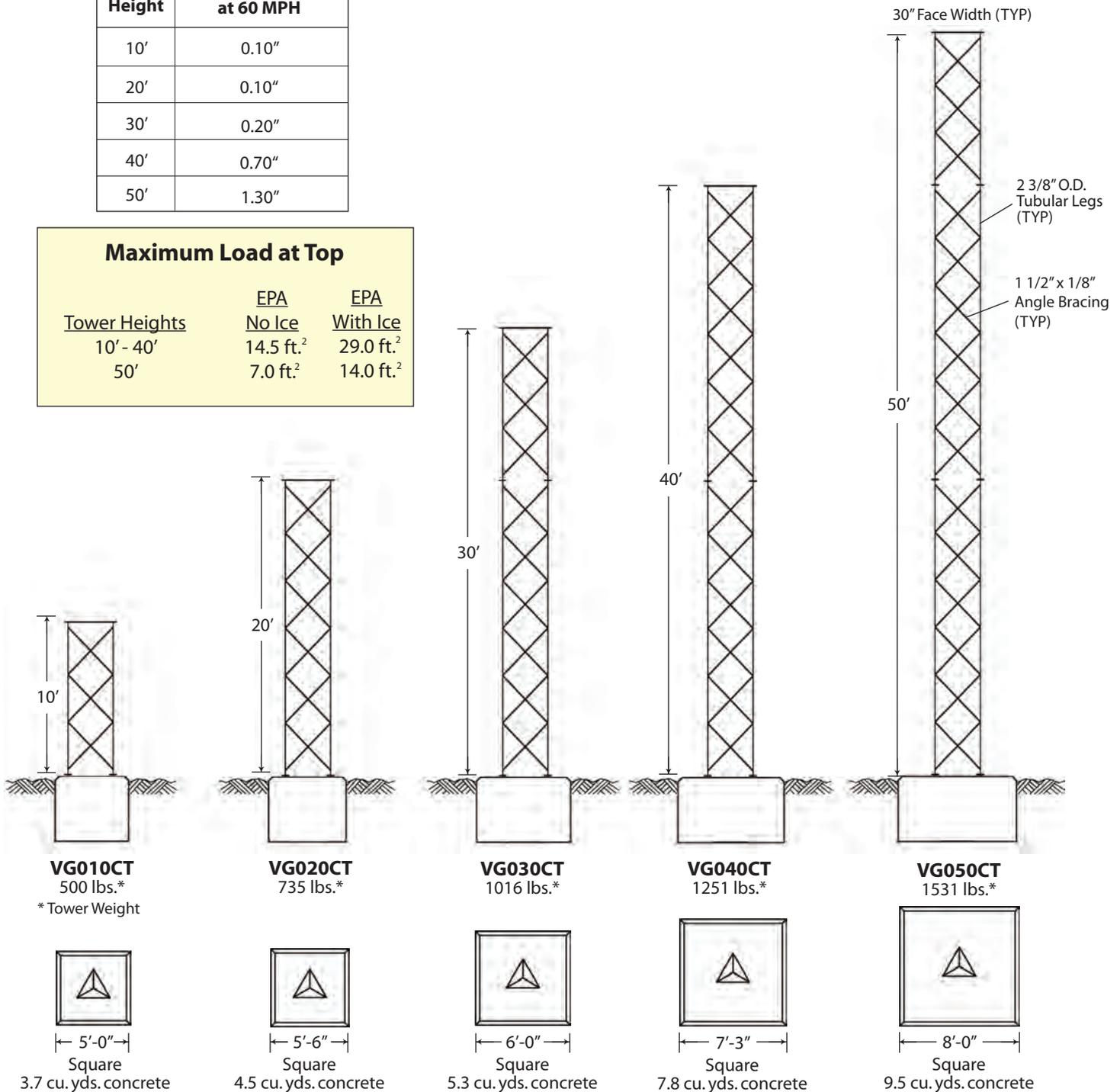
STANDARD VG SELF-SUPPORTING CAMERA TOWERS (field bolted)

REV. G: 110 MPH 3-SEC GUST WIND SPEED (NO ICE),
40 MPH 3-SEC GUST WIND SPEED (3/4" ICE),
CLASS II, EXPOSURE C, TOPO CATEGORY 1
SEISMIC COEFFICIENT $S_s \leq 1.0$

Tower Height	Max. Tip Deflection at 60 MPH
10'	0.10"
20'	0.10"
30'	0.20"
40'	0.70"
50'	1.30"

Maximum Load at Top		
Tower Heights	EPA No Ice	EPA With Ice
10' - 40'	14.5 ft. ²	29.0 ft. ²
50'	7.0 ft. ²	14.0 ft. ²

KNOCKED DOWN



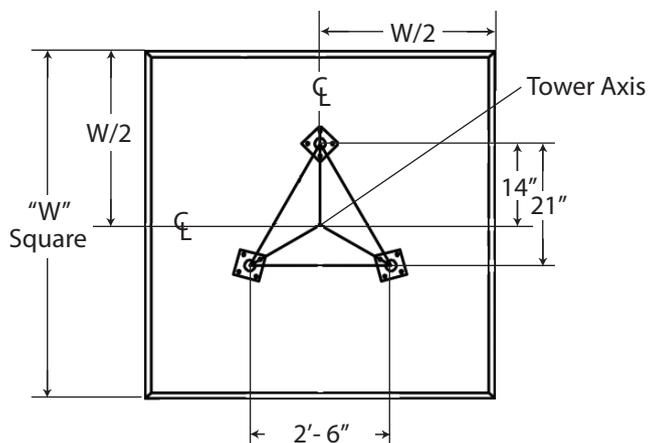
Includes anchor bolts, templates, tower sections, Rev G grounding material, 1/2" top mounting plate with attachment hardware and step bolts.

Per Rev. G requirements, any structure greater than 10' requires a climber safety device.

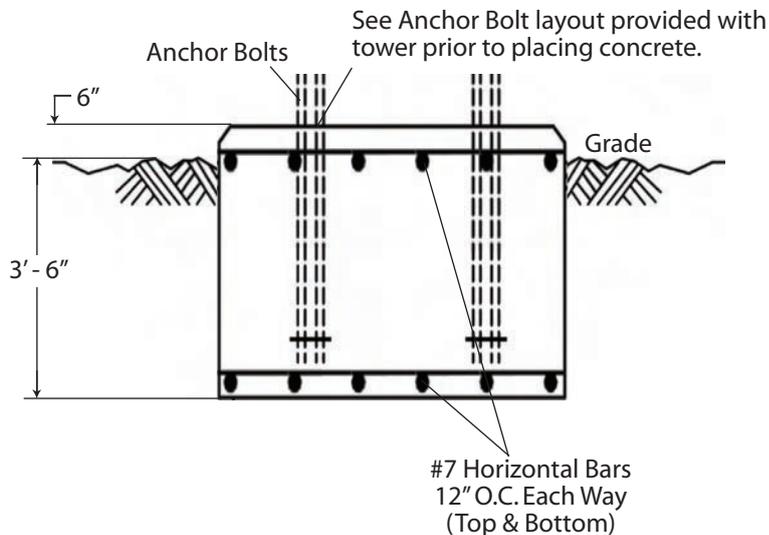
See page 175 for ordering information.



VG CAMERA TOWERS STANDARD FOUNDATION DETAILS

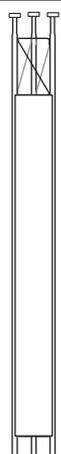


See tower elevation page for "W" dimensions.



#7 Horizontal Bars
12" O.C. Each Way
(Top & Bottom)

ACCESSORIES

 <p>ANTI-CLIMB PANELS VW917A ORDERED SEPARATELY</p>	 <p>CLIMBING HARNESS TTFBH-4D JOURNEYMAN HARNESS TTFBH-C/P PROFESSIONAL HARNESS</p>	 <p>SAFETY CABLE SLIDER WITH CARABINEER TT-WG-500-W/SMC</p>	<p>SAFETY CABLE SYSTEM TT050SSL FITS ALL TOWER HEIGHTS</p>
---	---	--	---

GENERAL NOTES

1. Tower designs are in accordance with ANSI/TIA/222-G.
2. Camera and mount assumed symmetrically placed at tower top.
3. Tower design assumes one 7/8" line on each tower face.
4. Assembly drawings and standard foundation details are provided with the tower.
5. Standard foundation illustrated is for general information only and is based on Rev G presumptive clay soil parameters.

Refer to pages 147-153 for Foundation General Notes.

COMMUNICATIONS SITE LICENSE AGREEMENT
between
VALLECITOS WATER DISTRICT
and
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA
at
Coronado Hills Tank

THIS COMMUNICATIONS SITE LICENSE AGREEMENT ("Agreement") is entered into this day of _____, 2017, by and between the Vallecitos Water District, a water district organized and operating pursuant to California Water Code Sections 30000 et seq. ("Licensor" or "District") and The Regents of the University of California, a California corporation, on behalf of the University of California San Diego ("Licensee"). District and Licensee are sometimes referred to individually as "Party" and collectively as "Parties."

RECITALS

A. The Vallecitos Water District is a water district organized and operating pursuant to California Water Code Sections 30000 et seq. The District owns and operates a water system, including the property subject to the terms of this Agreement ("Premises").

B. The University of California San Diego operates real time environmental sensor networks within San Diego County for observing wildfire, seismic activity, meteorology, and air quality, including those within and/or around Vallecitos Water District's boundaries.

C. The Premises are located so as to facilitate the beneficial use of radio communications facilities, including radio transmitter and receiving antennas for Licensee.

D. Licensor seeks to facilitate such uses by Licensee in order to maximize the use of Licensor's facilities for beneficial purposes and Licensee's use of the Premises for facilitating emergency communications within the region will be beneficial to Licensor.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, the Parties hereby agree as follows:

1. **Premises.** Licensor represents and warrants, (i) that it is the owner of that parcel known as Coronado Hills Tank, also identified as APN 222-101-12, located at 21855 Washingtonia Drive, San Marcos, California 92078-5048, herein referred to as the "Property," as generally shown on Exhibit "A" attached hereto and incorporated herein by reference, including applicable easements; (ii) that it has the full power and authority to enter into and perform its obligations under this Agreement for its entire term; and (iii) subject to the following terms and conditions, Licensor grants to Licensee a non-exclusive 60033.00001\76280121 license and non-transferable right to erect, maintain and operate radio communication facilities ("Licensee's Facilities"), as more specifically described in this Agreement.

2. **License Area.** Licensor agrees to license to Licensee approximately 100 square feet at the northeast corner of the Property (hereinafter referred to as the "Premises") as shown on Exhibit "B" attached hereto and incorporated herein by referenced.

3. **Use.** This Agreement is for use of the Premises for Licensee's radio communication system and environmental sensors. The Premises may be used by Licensee for any lawfully permitted and licensed activity in connection with the radio communication system, including the transmission and the reception of radio communication signals on various frequencies and the construction, maintenance, and operation of related communication facilities.

4. **Conditions Precedent; Approvals and Permits.** Licensee shall provide written evidence, satisfactory to Licensor, of all FCC approvals, including, but not limited to compliance with FCC Electromagnetic Radiation Guidelines, as well as all other governmental approvals and permits, as may be applicable.

5. **Term.** The term of this Agreement ("Term") shall be five (5) years commencing on the first day of the month following written notice to Licensor by Licensee of Licensee's intent to commence construction of its communications facilities on the Premises, or _____, 2017, whichever is earlier ("Commencement Date"). Licensee shall have the right to extend the Term of this Agreement for five (5) additional terms of two (2) years each ("Renewal Term"). Each Renewal Term shall be on the same terms and conditions as set forth herein. This Agreement shall automatically be extended for each successive Renewal Term unless otherwise terminated pursuant to this Agreement.

6. **Improvements.**

a. Licensee has the right to construct, maintain and operate on the Premises radio communications facilities, including necessary related facilities, including one (1) 30-foot antenna support structure, (collectively known as "Licensee's Facilities") as illustrated on Exhibit "C". In addition, Licensee has the right to use the existing 40-foot tower on the Premises. Any structures or improvements constructed by Licensee beyond Licensee's Facilities' construction must be underground. Licensee shall be responsible for all environmental compliance regarding Licensee's Facilities.

b. In connection therewith, Licensee has the right to do all work necessary to prepare, add, maintain and alter the Premises for Licensee's communications operations and to install utility lines and transmission lines connecting antennas to transmitters and receivers. Plans and specifications for such work by Licensee shall require prior written approval of Licensor before work may begin. Such approval shall not be unreasonably withheld or delayed. All of Licensee's construction and installation work shall be performed at Licensee's sole cost and expense by licensed and bondable contractors in a good and workmanlike manner and shall not interfere with Licensor's facilities and operations. Any work performed by Licensee outside Licensee's facilities shall be subject to inspection, approval, and scheduling by Licensor. Title to the Licensee's Facilities and any equipment placed on the Premises by Licensee shall be held by Licensee. All of Licensee's Facilities shall remain the property of Licensee and are not fixtures. Licensee has the right to remove all Licensees' Facilities at its sole expense on or before the expiration or earlier termination of this Agreement. Failure by Licensee to remove

Licensee's Facilities may result in title to Licensee's Facilities transferring to Licensor as provided for herein.

i. Within ninety (90) days following the date of termination for any cause, or within ninety (90) days following the end of the Term and any extension thereof, Licensee shall remove, at its sole expense, all of the Licensee's Facilities both above ground and below ground placed on the Premises and restore the Premises to the pre-installation condition (reasonable wear and tear and damages due to causes beyond the control or without the fault or neglect of Licensee excepted). Licensee shall not be required to remove any cables or wires below existing grade or any foundation in excess of one foot below grade unless specifically requested to do so by Licensor as such improvements would interfere with future development. Should Licensee fail to remove Licensee's Facilities after thirty (30) day notice, title to all Licensee's Facilities, Article 6(b) above notwithstanding, shall transfer to Licensor who shall at its option retain for itself all facilities not removed or shall remove and dispose of the facilities in a reasonable manner at the expense of the Licensee.

c. Licensee shall have the right to install utilities, at Licensee's expense, and to improve the present utilities on or near the Premises. Any encroachment necessary for such utility service will be at a location acceptable to and with prior approval by Licensor and the servicing utility and shall not interfere with Licensor's operation and maintenance of its facilities. Licensee shall at no time acquire any property interest in any of Licensor's property.

d. Licensee shall fully and promptly pay for all utilities furnished to the Premises for its use throughout the term of this Agreement, and all other costs and expenses incurred by Licensee in connection with Licensee's use, operation and maintenance of the Premises.

7. Access.

a. Licensee shall have the right but not the obligation at any time following the full execution of this Agreement and prior to the Commencement Date to enter the Premises for the purpose of making necessary engineering surveys, inspections, and tests where applicable, for the purpose of determining the suitability of the Premises for Licensee's Facilities and for the purpose of construction of such facilities. During any pre-construction work and construction work, Licensee will have insurance as required by this Agreement, and will notify Licensor of any proposed construction work and will coordinate the scheduling of same with Licensor. If Licensee determines that the Premises are unsuitable for Licensee's contemplated use, then Licensee will notify Licensor and this Agreement will terminate in accordance with the terms of this Agreement. Licensor at no time warrants or guarantees the suitability of the Premises for Licensee's intended use.

b. Licensor shall provide to Licensee, Licensee's employees, agents and subcontractors access to the Premises twenty-four (24) hours a day, seven (7) days a week, at no charge to Licensee.

8. Interference.

a. Licensee shall operate Licensee's Facilities in a manner that will not cause signal interference to Licensor and other authorized users of the Premises that pre-date the installation of

Licensee's Facilities. In the event such signal interference should occur, all costs to remedy the interference shall be borne by Licensee. Pre-existing communication system operations/operators operating in the same manner as on the Commencement Date shall not be deemed an interference to Licensee. All operations by Licensee shall be in compliance with all federal, state and local non-interference regulations including but not limited to, the Federal Communications Commission.

b. Licensee shall provide initial proof of compliance with original transmission tolerance and interference analysis by a certification through an independent source.

c. Licensor reserves the right to disrupt and temporarily terminate Licensee's transmission whenever Licensor performs maintenance or repair on Licensor's Facilities located on the Premises. Licensor will use its best efforts to complete such maintenance or repair in an expedited manner.

9. Taxes. Notice is hereby given pursuant to Revenue and Tax Code section 107.6 that this Agreement may create a taxable property interest in the Premises. Licensee shall pay all taxes and assessments attributable to its Licensee Facilities levied by any legal authority. Licensor shall pay all real property taxes attributable to the Premises (excepting property taxes levied as a direct result of the Licensee's Facilities) and any net income taxes assessed on license fees earned by Licensor hereunder.

10. Termination. This Agreement may be terminated by either Party after the Commencement Date for any reason or for no reason at all, provided that the terminating Party delivers written notice of termination to the other Party no later than thirty (30) days prior to effective date of termination.

11. Assignment and Sublicensing.

a. Licensee may not assign, sublicense or otherwise transfer all or any part of its interest in this Agreement or in the Premises or Licensee's Facilities without the prior written consent of Licensor, which consent shall not be unreasonably withheld, conditioned, or delayed; provided however, that Licensor may withhold consent for any reason should Licensee wish to assign or sublicense any portion of the Premises or this Agreement for the purposes of co-location.

b. Licensor reserves the right to license or lease portions of the Premises to other interested communication system operators for purposes of mobile/wireless or radio communication services.

12. Insurance.

a. As a condition precedent to this Agreement, Licensee, at Licensee's sole cost and expense, shall provide and maintain general liability self-insurance with limits of at least one million dollars (\$1,000,000) per occurrence (\$2,000,000 general aggregate, if used) for bodily injury, personal injury and property damage arising out of the activities and properties as described herein. Coverage shall include contractual liability covering the Licensee's obligations. The general liability coverage shall give the Vallecitos Water District (Licensor), its directors, officers, employees, and agents insured status using ISO endorsement CG2026 or equivalent. Licensee shall provide the Vallecitos Water District (Licensor) with a certificate of insurance and additional insured endorsement prior to access. Such self-insurance shall be primary and any insurance, self-insurance or other coverage maintained by

the Vallecitos Water District, its directors, officers, employees, or agents shall not contribute to it. Coverage is to be placed with a carrier with an A.M. Best rating of no less than A-:VII, or equivalent, or as otherwise approved by the Vallecitos Water District. In the event that the Licensee employs other Licensees (subcontractors) as part of the work covered by this agreement, it shall be the Licensee's responsibility to require and confirm that each sub-contractor meets the minimum insurance requirements specified above.

To the fullest extent permitted by law, Licensee agrees to be solely responsible for any and all injuries, damages, and claims to persons or property arising out of its access to and encroachment on the Vallecitos Water District property, but only in proportion to and to the extent that such injuries, damages, and claims arise from the negligent or wrongful acts or omissions of Licensee, its officers, agents, or employees. This indemnification agreement shall not be restricted to any insurance proceeds.

b. Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be declared to and approved by Licensor. At the option of Licensor, the insurer shall either reduce or eliminate such deductibles or self-insured retentions.

c. Automobile Liability Insurance. As a condition precedent to this Agreement, Licensee, at Licensee's sole cost and expense, shall provide and maintain automobile liability self-insurance in the amount of, at least, one million dollars (\$1,000,000). Such insurance shall provide coverage for bodily injury and property damage including coverage for all owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the District. Coverage is to be placed with a carrier with an A.M. Best rating of no less than A-:VII, or equivalent, or as otherwise approved by the Vallecitos Water District. In the event that the Licensee employs other Licensees (sub-contractors) as part of the work covered by this agreement, it shall be the Licensee's responsibility to require and confirm that each sub-contractor meets the minimum insurance requirements specified above.

d. Workers' Compensation and Employer's Liability Insurance. The Licensee shall cover or insure under the applicable laws relating to workers' compensation insurance, all of their employees working on or about the property, all in accordance with the "Workers' Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any Acts amendatory thereof. Licensee shall provide the Vallecitos Water District with a certificate of Workers' Compensation and Employer's Liability insurance coverage to be placed with a carrier with an A.M. Best rating of no less than A-:VII, or equivalent, or as otherwise approved by the Vallecitos Water District. The Licensee shall provide employers liability insurance in the amount of, at least, \$1,000,000 per accident for bodily injury and disease. Licensee certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions in connection with any work performed on the Premises. Any persons providing services with or on behalf of Licensee shall be covered by workers' compensation, or qualified self-insurance. Licensee and sub-contractors will keep workers' compensation insurance for their employees in effect during all work covered by this agreement.

e. Evidences and Cancellation of Insurance. Prior to the beginning of construction of any improvements provided in Article 6(a), the Licensee shall file with Licensor a certificate of self-insurance (Acord Form 25-S or insurer's equivalent) and an additional insured endorsement (CG 2010

or insurer's equivalent) both signed by a properly authorized officer, agent or representative of the insurer. Licensee shall also provide a waiver of subrogation in favor of Licensor. Such evidence of insurance shall confirm that coverage includes or has been modified to include any endorsement provisions required by the Licensor.

The Licensee shall, upon demand of Licensor, deliver to Licensor such policy or policies of insurance and the receipts for payment of premiums thereon.

13. Indemnification.

a. To the fullest extent permitted by law, Licensee shall indemnify and hold harmless and defend Licensor, its directors, officers, employees, or agents, and each of them from and against:

i. Any and all claims, demands, causes of action, damages, costs, expenses, losses or liabilities, in law or in equity, of every kind and nature whatsoever for, but not limited to, injury to or death of any person including Licensor and/or Licensee, or any directors, officers, employees, or agents of Licensor or Licensee, and damages to or destruction of property of any person, including but not limited to, Licensor and/or Licensee and their directors, officers, employees, or agents, arising out of or in any manner directly or indirectly connected with this License however caused ("Claims"), but only in proportion to and to the extent that such Claims arise from the negligent or wrongful acts or omissions of Licensee, its officers, agents, or employees;

ii. Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any law or regulation, compliance with which is the responsibility of Licensee.

iii. Any and all losses, expenses, damages (including damages to the work itself), attorneys' fees, and other costs, including all costs of defense, which any of them may incur with respect to the failure, neglect, or refusal of Licensee to faithfully perform all of its obligations under the Agreement. Such costs, expenses, and damages shall include all costs, including attorneys' fees, incurred by the indemnified parties in any lawsuit to which they are a party.

b. Licensee shall defend, at Licensee's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against Licensor or Licensor's directors, officers, employees or agents.

c. Licensee shall pay and satisfy any judgment, award or decree that may be rendered against Licensor or its directors, officers, employees, or agents, in any such suit, action or other legal proceeding.

d. Licensee shall reimburse Licensor and its directors, officers, employees, or agents, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

e. Licensee agrees to carry insurance for this purpose as set forth in this Agreement. License's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the Licensor, or its directors, officers, employees, or agents.

14. Safety and Environmental Protection. The Licensee shall operate and maintain the Premises so as to avoid injury or damage to any person or property.

a. In carrying out his/her work, the Licensee shall, at all times, exercise all necessary precautions for the safety and environmental protection of Premises, and be in compliance with all federal, state and local statutory and regulatory requirements including State of California, Division of Industrial Relations (Cal/OSHA) regulations, Cal/EPA US/EPA and the U.S. Department of Transportation including the Omnibus Transportation Employee Testing Act (as applicable).

b. The Licensee shall not use or allow anyone else to use the Premises to generate, manufacture, refine, transport, treat, store, handle, recycle, release or dispose of any hazardous material for the operation of the Licensee's activities as contemplated under this agreement. The term "hazardous material" means any hazardous substance, material or waste, including but not limited to those listed in 49 C.F.R. § 172.101 (U.S. Department of Transportation), the Cal/EPA Chemical Lists or petroleum products and their derivatives. However, this shall not apply to the use of petroleum products and related substances incidental to operation of motorized equipment and vehicles whose operation on the Premises is contemplated by this agreement.

c. The Licensee shall immediately notify the Licensor in writing upon becoming aware of any release of hazardous material, violation of any environmental law or actions brought by third parties against the Licensee alleging environmental damage.

d. Licensee shall identify by a sign in letters no greater than 1/2 inch in height permanently affixed to Licensee's Facilities the responsible party to notify in case of emergency or maintenance, but no other signs are permitted on the Premises or Licensee's Facilities.

e. Licensor represents that the Premises have not been used for the generation, storage, treatment or disposal of hazardous materials, as defined above. Licensee relies upon this representation as a material inducement for entering into this Agreement.

15. Notices. Any notice, demand or payment required to be given herein shall be made by certified or registered mail, return receipt requested, or reliable overnight courier to the address of the respective parties set forth below:

Licensor: Vallecitos Water District
201 Vallecitos de Oro
San Marcos, CA 92069
Attn: Finance Manager

Licensee: The Regents of the University of California
UC San Diego Real Estate
9500 Gilman Dr, #0982
San Diego, CA 92093-0982
Attn: Executive Director-Real Estate

16. Attorney's Fees.

a. In the event legal action by either party is brought to enforce any term hereof or in the recovery of damages for any breach hereof, or to determine any rights of the parties under this Agreement, the prevailing party in such actions may recover reasonable attorneys' fees to be fixed by the court.

b. When any provision of this Agreement entitles either party to receive costs or expenses from the other, the term costs and expenses shall include reasonable attorney's fees incurred, notwithstanding any reference or lack of reference to attorney's fees. When any article or provision of this Agreement provides that Licensee will hold Licensor harmless from claims, Licensee shall pay all of Licensor's reasonable attorney's fees incurred in investigating and defending such claims.

17. Miscellaneous.

a. This Agreement constitutes the entire agreement and understanding between the parties, and supersedes all offers, negotiations and other agreements concerning the subject matter contained herein. There are no representations or understandings of any kind not set forth in this Agreement. Any amendments to this Agreement must be in writing and executed by both parties.

b. If any provision of this Agreement is invalid or unenforceable with respect to any party, the remainder of this Agreement or the application of such provision to persons other than those as to whom it is held invalid or unenforceable, shall not be affected and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

c. This Agreement shall be binding on and inure to the benefit of the successors and permitted assignees of the respective parties.

d. This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of San Diego, State of California.

e. In any case where the approval or consent of one party hereto is required, requested or otherwise to be given under this Agreement, such party shall not unreasonably delay or withhold its approval or consent.

f. The Licensee shall give all notices required by law and comply with all laws, ordinances, rules and regulations pertaining to the conduct of the Premises. The Licensee shall be liable for all violations of the law in connection with this Agreement.

g. All Exhibits attached hereto are material parts of this Agreement.

h. This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original.

i. Each of the parties hereto acknowledge and warrant that it has read this Agreement and understands and knows all of its terms and the contents thereof, that this Agreement is executed voluntarily and with full knowledge of its significance, and that each of the parties executing this Agreement is empowered to do so and hereby binds the respective party. Therefore, this Agreement shall not be construed against any party because that party's representative drafted the Agreement or any portion of it.

IN WITNESS THEREOF, the parties have executed this Agreement as of the date first above written.

LICENSOR:

Vallecitos Water District

Dated: _____

By: _____

Glenn Pruim
General Manager
Tax I.D. 95-6005624

LICENSEE:

Dated: _____

The Regents of the University of California

By: _____

Jeff W. Graham
Executive Director-Real Estate
Tax I.D. 95-6006144

DATE: NOVEMBER 1, 2017
TO: BOARD OF DIRECTORS
SUBJECT: CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE PUBLIC FORUM ON “MANAGED GROUNDWATER RECHARGE TO SUPPORT SUSTAINABLE WATER MANAGEMENT”

BACKGROUND:

The California Department of Food and Agriculture (CDFA), in collaboration with the California Department of Water Resources (DWR), are hosting a Public Forum on “Managed Groundwater Recharge to Support Sustainable Water Management” on Wednesday, November 8, 2017, in Sacramento.

DISCUSSION:

Director Hernandez has expressed an interest in attending this forum. The purpose of the public forum is to identify benefits, opportunities, and barriers; gather momentum; and expand the implementation of managed groundwater recharge projects at all scales on agricultural lands and working landscapes for flood risk reduction, drought preparedness, and aquifer and ecosystem restoration.

The CDFA and DWR are not on the approved list of organizations for which meetings are considered compensable under District Ordinance No. 203; therefore, approval for per diem and expense reimbursement is required.

FISCAL IMPACT:

Expenses to attend the event would include a \$100 registration fee and an estimated \$1,200 for airfare and lodging, airport parking, mileage, meals, and taxi in addition to per diem.

RECOMMENDATION:

Request Board direction.

Public Forum

Managed Groundwater Recharge to Support Sustainable Water Management

WEDNESDAY, NOVEMBER 8, 2017

Meeting Agenda

Wednesday, November 8th

8:30 a.m. **Registration**

9:00 a.m. **Overview/Introductions**

- Bryce Lundberg, Lundberg Family Farms/California State Board of Food and Agriculture

9:10 a.m. **Moderated Discussion: Managed Groundwater Recharge in a Post-SGMA World** (Context Panel)

MODERATOR

- Andrew Fahlund, Water Foundation

PANELISTS

- Tim Parker, Groundwater Resources Association of California
- Rob Swartz, Sacramento Groundwater Authority
- David Guy, Northern California Water Association

9:55 a.m. **Presentation: Report on recent water Conferences and studies**

PRESENTERS

- Kamyar Guivetchi, California Department of Water Resources
- Ellen Hanak, Public Policy Institute of California

10:25 a.m. Break

10:40 a.m. **Moderated Discussion: Managed Groundwater Recharge on Agricultural and Working Landscapes (Agricultural Panel)**

MODERATOR

- Taryn Ravazzini, California Department of Water Resources

PANELISTS

- Don Cameron, Terranova Ranch/California State Board of Food and Agriculture
- Gabriele Ludwig, Almond Board of California
- Daniel Mountjoy, Sustainable Conservation

11:25 a.m. **Presentations: Potential Flood Risk Reduction and Ecosystem Benefits of Managed Groundwater Recharge**

PRESENTERS

- Mike Mierzwa, California Department of Water Resources
- John Carlon, River Partners

12:05 p.m. **Luncheon Keynote**

- Daniel Dooley, New and Current Water and Land, LLC.

1:00 p.m. **Moderated Discussion: Legal, Policy and Regulatory Opportunities for Managed Recharge** (Policy Panel)

MODERATOR

- Gordon Burns, California Environmental Protection Agency (CalEPA)

PANELISTS

- Jack Rice, California Farm Bureau Federation
- David Aladjem, Downey Brand
- Nicole Kuenzi, State Water Resources Control Board (SWRCB)
- Stefanie Morris, State Water Contractors

1:45 p.m. **Moderated Discussion: Infrastructure Opportunities and Constraints for Managed Recharge** (Infrastructure Panel)

MODERATOR

- Christopher Dunn, U.S. Army Corps of Engineers

PANELISTS

- Tim O'Halloran, Yolo County Flood Control
- Paul Hendrix, Tulare Irrigation District
- Eric Tsai, California Department of Water Resources (DWR)
- Vanessa De La Piedra, Santa Clara Valley Water District

2:30 p.m. **Moderated Discussion: Scaling Up Managed Groundwater Recharge** (Governance Panel)

MODERATOR

- Art Hinojosa, California Department of Water Resources

PANELISTS

- Helen Dahlke, University of California, Davis
- Adam Hutchinson, Orange County Water District
- Rhiannon Kucharski, U.S. Army Corps of Engineers

3:15 p.m. Break

3:30 p.m. **Moderated Discussion: State Program Delivery to Support Managed Groundwater Recharge Implementation** (State Agency Panel)

MODERATOR

- Wade Crowfoot, Water Foundation

PANELISTS

- Grant Davis, Director of the California Department of Water Resources (DWR)
- Karen Ross, Secretary of the California Department of Food and Agriculture (CDFA)
- Dorene D'Adamo, Board Member, State Water Resources Control Board (SWRCB)

4:20 p.m. **Closing/Nest Steps**

- Ashley Boren, Sustainable Conservation/CA State Board of Food and Agriculture

DATE: NOVEMBER 1, 2017
TO: BOARD OF DIRECTORS
SUBJECT: MEETING WITH STATE SENATOR JOEL ANDERSON TO DISCUSS LEGISLATIVE ISSUES

BACKGROUND:

State Senator Joel Anderson has invited Board members interested in speaking with him about legislative issues to meet with him at his office in San Marcos on Thursday, November 2.

DISCUSSION:

Meeting with Senator Anderson is not on the approved list of organizations for which meetings are considered compensable under District Ordinance No. 203; therefore, approval for per diem and expense reimbursement is required.

FISCAL IMPACT:

The cost to attend the event includes mileage and per diem.

RECOMMENDATION:

Request Board direction.