

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