

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, JANUARY 3, 2018, AT 5:00 P.M.
AT THE DISTRICT OFFICE
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT HERNANDEZ

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 JANUARY 3, 2018

INTRODUCTION

Human Resources Analyst Bridget Anderson will introduce new employee, **Bryan Gallego**, Wastewater Collections System Worker I.

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. 4-12)

- A. CLOSED SESSION BOARD MEETING – DECEMBER 15, 2017
- B. FINANCE/INVESTMENT COMMITTEE MEETING – DECEMBER 18, 2017
- C. CLOSED SESSION BOARD MEETING – DECEMBER 20, 2017
- D. REGULAR BOARD MEETING – DECEMBER 20, 2017

Approved minutes become a permanent public record of the District.

Recommendation: Approve Minutes

- 1.2 WINTER 2018 BETWEEN THE PIPES – VALLECITOS WATER DISTRICT
QUARTERLY NEWSLETTER (pp. 13-16)

Recommendation: Approve Winter 2018 Between the Pipes Newsletter

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

ACTION ITEMS

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

REPORTS

- 2.1 GENERAL MANAGER
- 2.2 DISTRICT LEGAL COUNSEL
- 2.3 SAN DIEGO COUNTY WATER AUTHORITY
- 2.4 ENCINA WASTEWATER AUTHORITY
- *Capital Improvement Committee*
- *Policy and Finance Committee*
- 2.5 STANDING COMMITTEES
- 2.6 DIRECTORS REPORTS ON MEETINGS/CONFERENCES/SEMINARS ATTENDED

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

OTHER BUSINESS

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

- 3.1 DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

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

- 4.1 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, December 29, 2017.

Diane Posvar

MINUTES OF A CONTINUED CLOSED SESSION MEETING
OF THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT
FRIDAY, DECEMBER 15, 2017, AT 2:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Hernandez called the Closed Session meeting to order at the hour of 2:00 p.m.

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

Staff Present: General Manager Pruim

CLOSED SESSION

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

Title: General Counsel

President Hernandez opened the Closed Session meeting.

REPORT AFTER CLOSED SESSION

The Board reconvened to open session at the hour of 2:00 p.m. The Board, in Closed Session, directed the General Manager to move forward with the selection process.

ADJOURNMENT

There being no further business to discuss, President Hernandez adjourned the Closed Session Meeting of the Board of Directors at the hour of 3:15 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, December 20, 2017, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

James Hernandez, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruim, Secretary
Board of Directors
Vallecitos Water District

MINUTES OF A MEETING OF THE
FINANCE/INVESTMENT COMMITTEE
OF THE VALLECITOS WATER DISTRICT
MONDAY, DECEMBER 18, 2017 AT 4:00 P.M.
AT THE DISTRICT OFFICE, 201 VALLECITOS DE ORO,
SAN MARCOS, CALIFORNIA

Director Martin called the meeting to order at the hour of 4:00 p.m.

Present: Director Martin
Director Sannella
General Manager Pruim
Assistant General Manager Scaglione
Accounting Supervisor Owen
Administrative Secretary Johnson

ITEM(S) FOR DISCUSSION

PUBLIC EMPLOYEE RETIREMENT SYSTEM

General Manager Pruim stated the purpose of the meeting was to provide the Committee updated financial information concerning Public Employee Retirement Systems (PERS) and Other Post Employment Benefits (OPEB) since the Committee's last discussion on these topics earlier this year.

Staff presented current and projected data on the District's funded and unfunded pension liability, total pension costs, pension cost increases, and the correlation between pension cost increases, the District's revenue requirement, and water rates.

General discussion took place regarding the stock market's effect on the pension liability, the Unfunded Accrued Liability (catch up), employer/employee shared costs, other options to PERS such as 457 plans, and the difference between PERS Classic and PERS PEPRAs programs.

OTHER POST EMPLOYMENT BENEFITS

General Manager Pruim stated OPEB refers to retiree medical insurance coverage up to age 65 only; no other benefits are included. OPEB is a District program unrelated to PERS. Prior to 2013, retirees received full medical insurance coverage for themselves, their spouses and their dependents until the retiree reached the age of 65, and five years of service was required to be vested. Changes in 2013 included the retiree paying the difference between the cost of the least expensive health insurance plan offered by the District if they chose a more expensive District plan, and spousal coverage only with no dependent coverage. The vesting schedule also changed to 5 to 10 years for all employees, regardless of their date of hire. Employees hired after 2013 are not eligible for OPEB.

Assistant General Manager Scaglione discussed the status of OPEB funding, annual costs and the trust the District established in 2011 to fund OPEB. It is anticipated that OPEB will be fully funded next year.

The data presented was for information only. Staff will provide further updates to the Committee when the next actuarial report is released in August 2018.

General discussion took place during which Director Martin asked about employees married to other employees who each receive double medical insurance coverage. Options to compensate employees in this situation who opt out of the medical insurance were discussed. General Manager Pruim stated that in order for the District to receive its ACWA/JPIA discount, all employees must be enrolled in the medical insurance program.

OTHER BUSINESS

None.

PUBLIC COMMENT

None.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at the hour of 5:12 p.m.

MINUTES OF A CLOSED SESSION MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, DECEMBER 20, 2017, AT 4:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Hernandez called the Closed Session meeting to order at the hour of 4:19 p.m.

Director Martin led the pledge of allegiance.

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

Staff Present: General Manager Pruiam
Legal Counsel Scott
District Engineer Gumpel
Executive Secretary Posvar

ADOPT AGENDA FOR THE CLOSED SESSION MEETING OF DECEMBER 20, 2017

17-12-11 MOTION WAS MADE by Director Evans, seconded by Director Martin, and carried unanimously, to adopt the agenda for the Closed Session Meeting of December 20, 2017.

PUBLIC COMMENT

None.

CLOSED SESSION

17-12-12 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, to move into Closed Session pursuant to Government Code Section 54956.9(d)(4).

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(4)
CONFERENCE WITH LEGAL COUNSEL

Discussion will include potential litigation.

The Board in Closed Session discussed the potential litigation matter and directed staff and counsel to take appropriate action.

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at the hour of 4:59 p.m.

ADJOURNMENT

There being no further business to discuss, President Hernandez adjourned the Closed Session Meeting of the Board of Directors at the hour of 5:00 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, January 3, 2018 at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

James Hernandez, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruum, Secretary
Board of Directors
Vallecitos Water District

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, DECEMBER 20, 2017, AT 5:00 PM AT THE DISTRICT OFFICE,
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Hernandez called the Regular meeting to order at the hour of 5:06 p.m.

Director Martin led the pledge of allegiance.

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

Staff Present: General Manager Pruim
Legal Counsel Scott
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF DECEMBER 20, 2017

17-12-13 MOTION WAS MADE by Director Evans, seconded by Director Martin, and carried unanimously, to adopt the agenda for the Regular Board Meeting of December 20, 2017.

PUBLIC COMMENT

None.

CONSENT CALENDAR

17-12-14 MOTION WAS MADE by Director Sannella, seconded by Director Martin, and carried unanimously, to approve the Consent Calendar as presented.

1.1 Approval of Minutes

- A. Closed Session Board Meeting – December 6, 2017
- B. Regular Board Meeting – December 6, 2017
- C. Closed Session Board Meeting – December 12, 2017
- D. Closed Session Board Meeting –December 13, 2017

1.2 Warrant List through December 20, 2017 - \$2,199,722.09

1.3 Financial Reports

- A. Water Meter Count – November 30, 2017
- B. Water Production/Sales Report – 2017/2018
- C. Water Revenue and Expense Report – November 30, 2017
- D. Sewer Revenue and Expense Report – November 30, 2017

- E. Reserve Funds Activity – November 30, 2017
- F. Investment Report – November 30, 2017

- 1.4 Final Acceptance of Water and Sewer Improvements for Rancho Coronado Phase 2 Improvements, APN's 221-091-21, 222-080-59 & 222-170-28 (Brookfield Homes – Rancho Coronado, LLC)

ACTION ITEMS

CONSIDERATION OF ADJUSTMENT TO THE GENERAL MANAGER'S EMPLOYMENT SALARY

Legal Counsel Scott stated the Board and the General Manager entered into a General Manager Employment Agreement (Agreement) on October 14, 2016. Section 3, Annual Salary, of the Agreement provides for merit increases at the discretion of the Board. During a closed session meeting held on December 6, 2017, the Board provided the General Manager with a performance evaluation.

The Board was provided a copy of the Second Amendment to the Agreement reflecting an eight percent merit increase effective January 1, 2018 which results in a salary of \$233,539. In addition, every time the District changes any of its salary ranges the California Public Employees' Retirement System (CalPERS) requires a new pay schedule to be approved by the Board. A resolution to adopt the District pay schedule was provided for the Board's consideration.

Mike Hunsaker, member of the public, addressed the Board stating he didn't understand Exhibit "A" of the resolution, Vallecitos Water District Personnel Classification and Monthly Pay Schedule, and requested an explanation.

President Hernandez requested staff meet with Mr. Hunsaker individually to explain the pay schedule.

General discussion took place. During general discussion, Director Martin requested the pay schedule be modified so that it can be more easily understood. Staff was directed to revise the pay schedule with a definition of the pay ranges and present it to the Board at a future Board meeting.

Director Sannella stated that although he believes General Manager Pruiem is doing an excellent job, he cannot support the eight percent increase; however, he would support a smaller increase. Director Martin expressed a similar view.

- 17-12-15 MOTION WAS MADE by Director Evans, seconded by Director Elitharp, and carried 4 – 1, with Director Sannella voting no, to approve an eight percent adjustment to the General Manager's salary.

17-12-16 MOTION WAS MADE by Director Evans, seconded by Director Elitharp, and carried unanimously, to adopt the resolution with Exhibit "A", Vallecitos Water District Personnel Classification and Monthly Pay Schedule.

Resolution No. 1525 - The roll call vote was as follows:

AYES: Elitharp, Evans, Martin, Sannella, Hernandez

NOES:

ABSTAIN:

ABSENT:

REPORTS

GENERAL MANAGER

General Manager Pruium reported that the Diamond Environmental Services matter is coming to a resolution. It is expected to be heard by the Courts in January 2018. More information on this will be provided to the Board at a future Board meeting.

DISTRICT LEGAL COUNSEL

None.

SAN DIEGO COUNTY WATER AUTHORITY

Director Evans stated the Board passed the extension of the transfer agreement at their December 7 meeting. The agreement is extended until 2045.

ENCINA WASTEWATER AUTHORITY

President Hernandez stated the Capital Improvement Committee did not meet this month.

Director Elitharp stated the Policy and Finance Committee did not meet this month.

STANDING COMMITTEES

Director Martin stated the Finance/Investment Committee met on December 18 at which the status of Public Employees' Retirement System (PERS) and the District's Other Post Employment Benefits (OPEB) were discussed. It is expected that OPEB will be fully funded in 2018.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Director Evans stated the Council of Water Utilities (COWU) meetings will continue to meet on the third Tuesday of each month at 7:15 a.m. The venue for the COWU meetings for the next few months has changed to the Hotel Karlan San Diego. The cost of attending the meetings will increase to \$40. The location of the meetings may change after the new COWU President takes over responsibility of the meetings in March.

Director Martin requested information regarding the CalDesal Annual Conference scheduled for February 1 – 2 in Monterey.

Director Martin commented that the San Diego North Economic Development Council will begin meeting again in January.

OTHER BUSINESS

None.

DIRECTORS COMMENTS/FUTURE AGENDA ITEMS

None.

ADJOURNMENT

There being no further business to discuss, President Hernandez adjourned the Regular Meeting of the Board of Directors at the hour of 5:25 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, January 3, 2018, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

James Hernandez, President
Board of Directors
Vallecitos Water District

ATTEST:

Glenn Pruum, Secretary
Board of Directors
Vallecitos Water District

Special Districts make the Difference

Over 62 years ago, the local residents and landowners of San Marcos Valley decided the fate of your local water management by voting to form an independent special district.

Vallecitos Water District is one of more than 2,000 members of California's unique system of special districts.

Special districts range from small to very large and often cross political boundary lines, such as cities and county borders. They are sanctioned under state law to perform local governmental functions within a specified area

There are all types of special districts offering a wide variety of services - from airport management, water services and flood control to zoo-keeping, fire protection and waste disposal! Special districts concentrate their resources on distinct services, unlike city or county governments that face competing priorities. Being a special district enables Vallecitos Water District to focus entirely on water, wastewater and reclamation services and keep public costs directly tied to the cost of providing service.

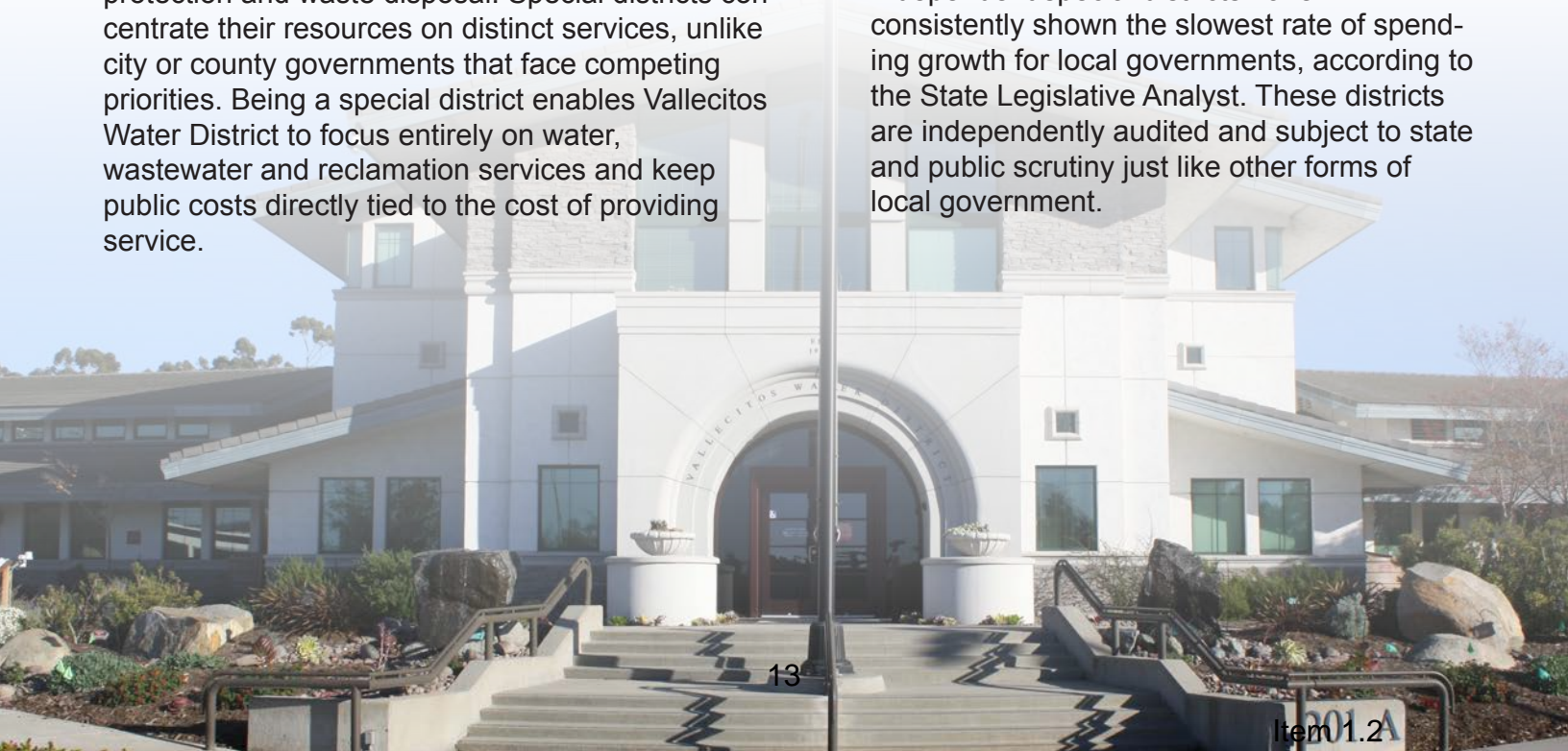


Studies show that customers of special districts are more satisfied with their level of service than customers of municipalities with a myriad of functions, such as city government that

must look out for the general welfare of the entire community, including police and fire protection, street and park maintenance and redevelopment.

Special districts are governed by boards of directors who are elected or appointed for fixed terms. Boards are subject to initiative, referendum and recall as well as the Brown Act, which means they cannot hold secret meetings. The directors must live or own property within their respective service area.

Independent special districts have consistently shown the slowest rate of spending growth for local governments, according to the State Legislative Analyst. These districts are independently audited and subject to state and public scrutiny just like other forms of local government.



Private Sewer Laterals

Your private sewer lateral. Lateral lines are property of the resident.

Many customers do not realize that they own the sewer lateral that connects their property to the Vallecitos Water District's sewer system.

A private sewer lateral is the pipe that drains sinks, showers and toilets from your home or building to the Vallecitos Water District's main sewer line. Sewer laterals transport wastewater from all of the drains in your home or building to the public sewer main.

Property owners are responsible for the operation, maintenance and the repair of their property's sewer lateral from the home or building and including the point of connection to the Vallecitos Water District's sewer main line.

Why maintaining a private sewer line is important.

Everything you put down your private drains reaches the District's sewer system. Proper maintenance of a private sewer lateral is important because they can clog with roots and grease and can cause a backup inside your property or spill from the line.

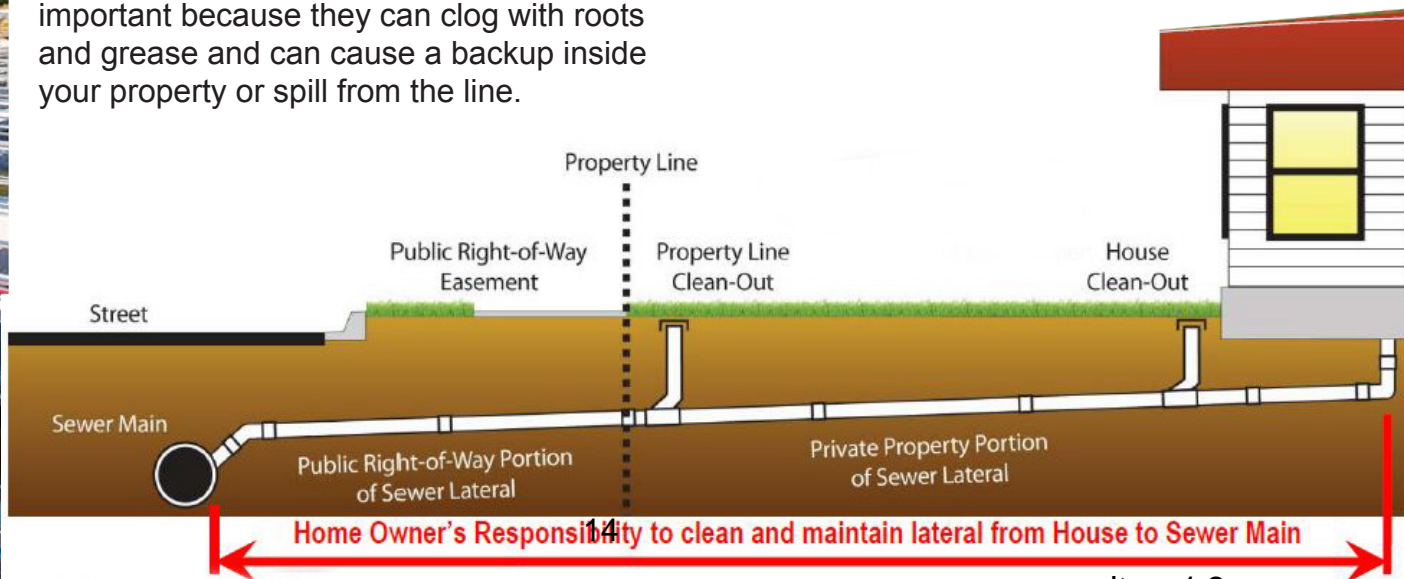
A sewer spill can cause damage to your property that is expensive to fix. In addition, a spill may cause public and environmental health concerns.

What are signs I may have a sewer lateral problem?

- Drains backup inside your home or building.
- Sink holes in your yard over the sewer lateral.
- Wet or soggy ground in your yard or near your sewer lateral.
- Water standing in or coming out of your sewer cleanout.

What are some things you can do for preventive maintenance?

- Have your sewer lateral video inspected and cleaned regularly.
- Repair and replace deteriorated or damaged lateral pipes as soon as possible.
- Have cleanouts installed on laterals.
- Prevent FOG (Fats, Oils, and Grease) from going down drains.
- Do not flush diapers, wipe or feminine hygiene products down the sewer.



Vallecitos' Sustainable Demonstration Garden is now an **OCEAN FRIENDLY GARDEN** too!

Most landscapes are planted for vibrant plants. Vallecitos' Sustainable Demonstration Garden, located at the District's headquarters, is also planted for vibrant marine life. Already recognized as a "Certified Wildlife Habitat" by the National Wildlife Federation and an "Earth Friendly Garden" by the Master Gardeners Association, Vallecitos' garden was recently recognized as an "Ocean Friendly Garden" by the Surfrider Foundation.

What is an Ocean Friendly Garden?

Water runoff is the number one source of ocean pollution in urban areas. Water from rain or over-irrigation "runs off" to lower areas, making its way into streams, lakes and the ocean. On its journey, runoff can pollute the ocean by picking up pollutants such as pesticides and fertilizers.



Ocean Friendly Gardens apply CPR (Conservation, Permeability and Retention) to landscapes, hardscapes and streets. They allow soil to act like a sponge to help restore the helpful functions of watersheds, like protecting local water supplies and preventing polluted runoff from reaching the ocean.

Why are Ocean Friendly Gardens good?

Since urban water runoff is the main source of ocean pollution, much good can come by retaining this water and keeping it out of our watershed. Captured runoff can be used to irrigate landscapes and recharge groundwater. In addition, climate appropriate and native plants are used in Ocean Friendly Gardens, which don't need chemicals and commercial fertilizers, two of the main water pollutants.

What features of Vallecitos' garden make it good for the ocean?

One of the first features visitors notice about our garden is the rain water harvesting system, which collects rain from the roof that would otherwise runoff into the ocean, and stores it in three tanks with a combined 2,500 gallons of capacity. The captured runoff supplies water to decorative water fountains located throughout the garden.

Further environmental benefits are demonstrated through the use of California-friendly plants. When combined with the garden's mulch, compost and biosolid pellets (a fertilizer made from recycled wastewater solids produced at a treatment plant partially owned by Vallecitos) the plants are bolstered with healthy nutrients, eliminating the need for harmful chemical fertilizers which could flow off the garden during wet weather. To further reduce runoff to the ocean, the plants are irrigated through a weather-based irrigation controller and micro-irrigation, which applies only the minimal amount of water that the plants will use.

How can I visit the Sustainable Garden?

Vallecitos' Sustainable Demonstration Garden can be seen during business hours at 201 Vallecitos de Oro in San Marcos. For more information or to schedule a tour, go to www.vwd.org/sustainable-garden or contact our Conservation Department at (760) 744-0460. To learn more about Ocean Friendly Gardens, go to <https://sandiego.surfrider.org/ofg/>.



201 Vallecitos de Oro
 San Marcos, CA 92069
 (760) 744-0460
www.vwd.org

Board of Directors

Division 1: Betty Evans
 Division 2: Jim Hernandez
 Division 3: Craig Elitharp
 Division 4: Mike Sannella
 Division 5: Hal Martin

Management Staff

Glenn Pruiem, General Manager
 Tom Scaglione, Assistant General Manager
 Rhondi Emmanuel, Administrative Services Manager
 Ed Pedrazzi, Operations and Maintenance Manager
 James Gumpel, District Engineer



Between the Pipes is a publication of information and interest to Vallecitos water and sewer customers. If you receive water or sewer services from another district, please disregard any information that does not apply to you.

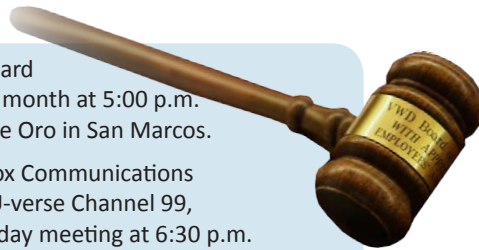
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ECRWSS

The public is welcome to attend the Vallecitos Board Meetings the first and third Wednesday of each month at 5:00 p.m. in the Administration building—201 Vallecitos de Oro in San Marcos.

Meetings are also aired on San Marcos TV on Cox Communications Channel 19, Time Warner Channel 24 or AT&T U-verse Channel 99, which air on the Monday following the Wednesday meeting at 6:30 p.m. Visit www.san-marcos.net/smtv for programming schedule.



“Like us” on Facebook or follow us on Twitter @vallecitoswater

At a regular meeting held on Wednesday, December 6, 2017, the Vallecitos Water District Board of Directors voted to move forward with their annual reorganization.

Jim Hernandez was elected to serve as president and Hal Martin was elected to serve as vice president for 2018.

Hernandez and Martin are joined by three Directors who round out the Vallecitos Board: Directors Betty Evans, Division 1; Craig Elitharp, Division 3; and Mike Sannella, Division 4.

The Board meets regularly the first and third Wednesday of the month at 5:00 p.m. in Vallecitos’ Administration Building, located at 201 Vallecitos de Oro, in San Marcos.

Meetings are open to the public and recorded for viewing on San Marcos television. Please visit www.san-marcos.net/smtv for a complete programming schedule.

For complete biographies of the Vallecitos Board, go to www.vwd.org/Board.

