

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, APRIL 18, 2018, 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 5:00 p.m.

President Hernandez led the pledge of allegiance.

Present: Director Elitharp  
Director Evans  
Director Martin  
Director Hernandez

Absent: Director Sannella

Staff Present: General Manager Pruiam  
Legal Counsel Gilpin  
District Engineer Gumpel  
Finance Manager Owen  
Capital Facilities Senior Engineer Hubbard  
Development Services Senior Engineer Scholl  
Capital Facilities Engineer Santos  
Public Information/Conservation Supervisor Robbins  
Executive Secretary Posvar

Others Present: Vance Breshears, Director, iD!BRi Consulting

ADOPT AGENDA FOR THE REGULAR MEETING OF APRIL 18, 2018

18-04-06 MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried unanimously, with Director Sannella absent, to adopt the agenda for the Regular Board Meeting of April 18, 2018.

PRESENTATION

Public Information/Conservation Supervisor Robbins announced the District was presented with the "Excellence in Public Information and Communications" (EPIC) award from the California Association of Public Information Officials (CAPIO) for the District's "Employee Spotlight" Video Program.

PUBLIC COMMENT

Mike Hunsaker, member of the public, addressed the Board stating that after having viewed the recording of the recent Master Plan workshop he has many questions. He expressed his concern over two issues that he feels need to be addressed. The first issue is the elimination of mobile home park zoning and how the process of converting from master meters to individual meters will be completed. The residents of mobile

home parks deserve consideration as they are some of the most frugal water and utility users. The other issue with the water Master Plan is that it is set up based on no density bonuses and no added building that Sacramento is threatening to impose upon us. If this occurs, especially density bonuses, there should be some sort of impact fees to take care of the differences. He hopes in the future any presentations will be posted instead of having to request them and that workshops be held at a reasonable hour in the evening. He thanked the Board.

### CONSENT CALENDAR

18-04-07 MOTION WAS MADE by Director Martin, seconded by Director Evans, and carried unanimously, with Director Sannella absent, to approve the Consent Calendar as presented.

#### 1.1 Approval of Minutes

- A. Finance/Investment Committee Meeting – April 2, 2018
- B. Engineering/Equipment Committee Meeting – April 3, 2018
- C. Regular Board Meeting – April 4, 2018

#### 1.2 Warrant List through April 18, 2018 - \$2,898,668.54

#### 1.3 Financial Reports

- A. Water Meter Count – March 31, 2018
- B. Water Production/Sales Report – 2017/2018
- C. Quarterly Financial Report – March 31, 2018
- D. Water Revenue and Expense Report – March 31, 2018
- E. Sewer Revenue and Expense Report – March 31, 2018
- F. Reserve Funds Activity – March 31, 2018
- G. Investment Report – March 31, 2018

#### 1.4 Operations & Maintenance Metrics Quarterly Report – March 31, 2018

#### 1.5 Approval of Construction Agreement for Fitzpatrick Town Homes (KB Home Coastal)

Director Martin asked if town homes are differentiated from apartments or condominiums. Development Services Senior Engineer Scholl stated that the units in the Fitzpatrick Town Homes project are three single-family residences that are a component of a larger project which will include town homes, even though the developer is using the term “town homes” in the title of the project.

ACTION ITEMS

CERTIFIED PUBLIC ACCOUNTING FIRM AUDIT CONTRACT

General Manager Pruim stated California Government Code Section 26909 requires the District to have an annual audit. The contract with the previous certified public accounting firm expired after completion of the June 30, 2017 audit. On February 26, 2018, the District issued a Request for Proposal for audit services. Proposals from seven firms were received. Staff reviewed all proposals utilizing established criteria and interviewed the top two firms on March 26. Staff met with the Finance/Investment Committee (Committee) on April 2 and requested the Committee recommend the Board consider approving a contract with DavisFarr Certified Public Accountants to provide audit services for the next three fiscal years, with two optional one-year extensions.

General Manager Pruim further stated the cost of the agreement with DavisFarr Certified Public Accountants over three years will be \$12,200 less than the District's previous auditing firm.

Staff and the Finance/Investment Committee recommended the Board authorize the General Manager to enter into a three-year agreement with DavisFarr Certified Public Accountants for audit services with two one-year options to extend the agreement.

General discussion took place during which Jennifer Farr of DavisFarr Certified Public Accounts introduced herself.

18-04-08 MOTION WAS MADE by Director Evans, seconded by Director Elitharp, and carried unanimously, with Director Sannella absent, to authorize the General Manager to enter into a three-year contract with DavisFarr Certified Public Accountants for audit services with two one-year options to extend the agreement.

CONSTRUCTION CONTRACT AWARD OF OPERATIONS BUILDING LOCKER ROOM EXPANSION

Capital Facilities Senior Engineer Hubbard provided background information on the project to date. At the Board's direction to reduce the cost of the original project, staff worked with the architect to create two options: a base bid for a 522 square foot expansion without shower and sink facilities, and an alternate bid for the original 783 square foot size design to include lockers, showers and sinks. Both redesigned plans feature more traditional exterior wall and roof systems, lower the height of the construction, and eliminate many of the modifications to the existing locker room. Also, HVAC and fire sprinkler system expansions were added to the bid to get a more competitive overall price. The Engineering/Equipment Committee was updated monthly from September through November 2017 on the redesign progress of the project. The

project was out for bid in March and three bids were received on March 27. Crew Builders' bid was the lowest at \$352,195 for the base bid and \$452,300 for the larger project; however, there were some minor irregularities in that bid. One irregularity was that Crew Builders' price for the larger alternate bid was actually \$433,425.

Capital Facilities Senior Engineer Hubbard stated that in reviewing the square footage cost difference between the base bid and the alternate bid, the Engineering/Equipment Committee and staff realize a cost benefit to building the larger improvement. The changes made to the original project result in a savings of almost \$180,000 in construction costs. The Engineering/Equipment Committee and staff recommended waiving the irregularities and authorizing the General Manager to execute a contract with Crew Builders in the amount of \$433,425, subject to provisions of the contract.

General discussion took place regarding the cost of the expansion project, the number of full size lockers to be added, the amount of space that would be gained, the bid irregularity concerning the roofing, the accounting practice for staff overhead costs, staff's involvement in the design, re-design and construction process, and asset allocation.

18-04-09 MOTION WAS MADE by Director Evans, seconded by Director Elitharp, and carried unanimously, with Director Sannella absent, to authorize the General Manager to execute a contract with Crew Builders in the amount of \$433,425, subject to the provisions of the contract, for the Operations Building Locker Room Expansion Project.

#### CONSTRUCTION CONTRACT AWARD OF BOARDROOM AUDIOVISUAL AND LIGHTING UPGRADES PROJECT

Capital Facilities Senior Engineer Hubbard stated the audiovisual equipment for the Boardroom was installed in 1997 when Building A was built. Much of the equipment is unsupported and when equipment or parts break, they cannot be replaced. Upgrading the current audiovisual systems is supported by the District's Strategic Plan, Strategic Focus Area Strategy 3.1, Continuous Organizational Improvement goal. A Fiscal Year (FY) 2015/2016 budget request was made to upgrade the existing audiovisual technology and create consistency between other rooms in the building. On June 17, 2015, the Board adopted the FY 2015/2016 budget which included \$500,000 for the audiovisual upgrades. At the May 27, 2015 Board workshop meeting, the Board directed staff to spread the Audiovisual (AV) Upgrade Budget over two years, FY 2015/2016 and FY 2016/2017, and upgrades to the Boardroom were postponed until FY 2017/2018. AV upgrades to the Training Room, the Meadowlark Reclamation Facility (MRF) Conference Room, the MRF Break Room, and four District Conference Rooms were completed in September 2016.

Capital Facilities Senior Engineer Hubbard introduced the District's consultant on the

Boardroom AV upgrade project, Vance Breshears of iD!BRi Consulting, who provided detailed information on each item included in the base bid and additive alternate options.

Question and answer took place.

18-04-10 MOTION WAS MADE by Director Martin, seconded by Director Elitharp, and carried 3-1, with Director Evans voting no and Director Sannella absent, to send this item back to the Engineering/Equipment Committee for further discussion and review of the bid.

### FINANCIAL INSTITUTION REGISTRY AND AUTHORIZATION

Finance Manager Owen stated that due to recent retirements, it is necessary for the District to update its authorizations with various financial institutions. There are no changes to the financial institutions themselves, only changes to the names of staff authorized to transact business on the District's behalf.

Staff recommended the Board adopt resolutions changing authorizations of the following financial institutions that require a resolution:

- Local Agency Investment Fund
- San Diego County Investment Pool
- Union Bank General Checking Account
- Union Bank Trust and Custody Services

18-04-11 MOTION WAS MADE by Director Evans, seconded by Director Martin, and carried unanimously, with Director Sannella absent, to approve all four resolutions changing authorizations of the above listed financial institutions.

Resolution Nos. 1533, 1534, 1535 and 1536 – The roll call vote was as follows:

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

### REPORTS

#### GENERAL MANAGER

General Manager Prum reported the following:

- He praised staff for the “Excellence in Public Information and Communications” award that was announced earlier in the meeting. The four employees who participated in the “Employee Spotlight” Video Program collectively have over 114 years of experience with the District.
- The Finance/Investment Committee will meet on Wednesday, April 25 to continue their discussion on budget development.
- Best Best & Krieger are sponsors of an event being held on Tuesday, April 24 at the Nixon Presidential Library. Board members are invited to attend.

#### DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin stated he has met with General Manager Pruim and management staff and is beginning the process of acclimating to the District. He further stated Best Best & Krieger has a public policies and ethics compliance group that has created pocket guides which provide general advice on such topics as economic interests, conflicts of interest, and avoiding financials. Copies will be provided to the Board for their reference.

#### SAN DIEGO COUNTY WATER AUTHORITY

Director Evans stated the Water Conservation Garden has hired a new horticulturalist who has accomplished much in his first four months. She distributed invitations to the Water Conservation Garden’s Spring Garden and Butterfly Festival.

Director Evans reported that the Legislation and Public Outreach Committee adopted a position of support on AB 3170 relating to sales tax exemption for water use efficiency products. The program is very specific in that during three days at the end of March every year sales tax will be exempted on any items pertaining to water efficiency. The Committee also adopted a position to oppose AB 831 which relates to accessory dwelling units. The Committee will be holding a workshop on April 26 concerning Metropolitan Water District’s approach to the water fix. Another topic of much discussion is the proposed water tax.

#### ENCINA WASTEWATER AUTHORITY

President Hernandez reported on his attendance to the Capital Improvement Committee meeting this morning at which the Committee discussed the capital budget and agency allocations.

Director Elitharp reported on his attendance to the Policy and Finance Committee meeting on April 10 at which the Committee reviewed the south parcel temporary easement authorization on the 28-acre parcel owned by EWA to support a Leucadia Wastewater District project. The Committee also reviewed the FY2019 proposed operating budget.

STANDING COMMITTEES

Director Martin stated the minutes of the April 2 Finance/Investment Committee meeting were included in the Board agenda packet.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

Directors Martin, Hernandez, Elitharp and Evans reported on their attendance to the Council of Water Utilities meeting on April 17.

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 6:36 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, May 2, 2018, at 5:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

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James Hernandez, President  
Board of Directors  
Vallecitos Water District

ATTEST:

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Glenn Pruij, Secretary  
Board of Directors  
Vallecitos Water District