

AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, JUNE 6, 2018, AT 5:00 P.M.  
AT THE DISTRICT OFFICE  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – VICE PRESIDENT MARTIN

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 JUNE 6, 2018

PRESENTATION

Vice President Martin will acknowledge H.R. LaBounty Safety Award winners **Jeremy Scott**, Senior Wastewater Collections Systems Worker; **Dennis Richardson**, Wastewater Collections Systems Worker II; and **Matt Wiese**, Senior Wastewater Treatment Plant Operator, recognizing their commitment to safety in the workplace.

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. 8-24)

- A. CLOSED SESSION BOARD MEETING – MAY 16, 2018
- B. REGULAR BOARD MEETING – MAY 16, 2018
- C. BOARD WORKSHOP MEETING – MAY 21, 2018
- D. BOARD WORKSHOP MEETING – MAY 22, 2018

*Approved minutes become a permanent public record of the District.*

**Recommendation: Approve Minutes**

1.2 WARRANT LIST THROUGH JUNE 6, 2018 – \$1,288,773.79 (pp. 25-27)

**Recommendation: Approve Warrant List**

1.3 APPROVAL OF CONSTRUCTION AGREEMENT FOR RANCHO CORONADO MU-4 SUNSTONE DRIVE IMPROVEMENTS (BROOKFIELD RANCHO CORONADO, LLC) (pp. 28-43)

*The project is located west of S. Twin Oaks Valley Road and north of South Lake.*

**Recommendation: Approve Construction Agreement**

1.4 APPROVAL OF CONSTRUCTION AGREEMENT FOR RANCHO CORONADO MU-4 SITE PHASE 1 (BROOKFIELD RANCHO CORONADO, LLC) (pp. 44-59)

*The project is located west of S. Twin Oaks Valley Road and north of South Lake.*

**Recommendation: Approve Construction Agreement**

1.5 APPROVAL OF CONSTRUCTION AGREEMENT FOR RANCHO CORONADO MU-4 SITE PHASE 2 (BROOKFIELD RANCHO CORONADO, LLC) (pp. 60-75)

*The project is located west of S. Twin Oaks Valley Road and north of South Lake.*

**Recommendation: Approve Construction Agreement**

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

ACTION ITEMS

- 2.1 DISPOSITION OF DISTRICT VEHICLE #9 (pp. 76-77)

*Within its fleet inventory, the District owns a historic Jeep.*

**Recommendation: Request Board direction on the disposition of District vehicle #9**

- 2.2 ADOPTION OF RESOLUTION BY THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT APPROVING ENCINA WASTEWATER AUTHORITY'S FISCAL YEAR 2019 OPERATING AND CAPITAL IMPROVEMENT BUDGET (pp. 78-82)

*The Encina Basic Agreement requires approval of the budget for Encina Wastewater Authority by member agencies.*

**Recommendation: Adopt resolution**

- 2.3 VALLECITOS WATER DISTRICT RECOMMENDED FISCAL YEAR 2018/2019 BUDGET (pp. 83)

*Vallecitos Water District budget is presented for Board review and approval.*

**Recommendation: Approve Fiscal Year 2018/2019 Vallecitos Water District Budget**

\*\*\*\*\*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 (pp. 84-88)

**CASA Annual Conference**

August 8-10, 2018 – Marriott Hotel, Monterey, CA

**Urban Water Institute Annual Conference**

August 22-24, 2018 – Hilton San Diego Resort & Spa

**\*\*\*\*\*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](http://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 5:00 p.m., Friday, June 1, 2018.

\_\_\_\_\_  
Diane Posvar

# The H.R. LaBounty Safety Award

is presented to



**Jeremy Scott**  
**Vallecitos Water District**

**May 2018**

**ACWA Joint Powers Insurance Authority**

2100 Professional Drive  
Roseville, CA 95661-9082  
(800) 231-5742



# The H.R. LaBounty Safety Award

is presented to



**Dennis Richardson**  
**Vallecitos Water District**

**May 2018**

**ACWA Joint Powers Insurance Authority**

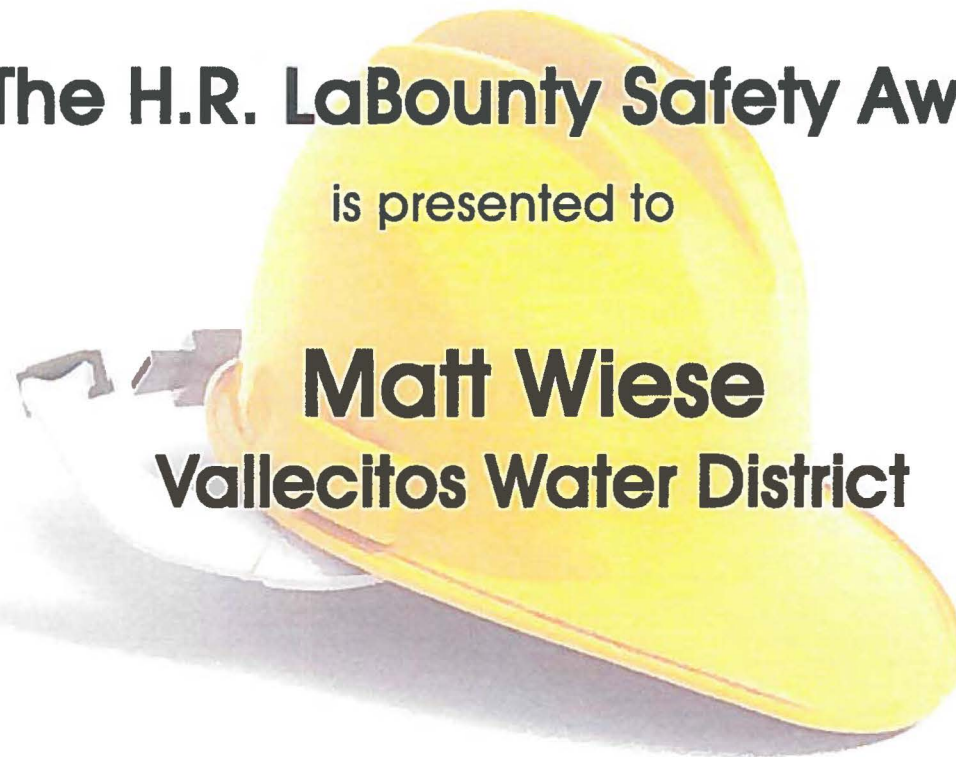
2100 Professional Drive  
Roseville, CA 95661-9082  
(800) 231-5742





# The H.R. LaBounty Safety Award

is presented to



**Matt Wiese**  
**Vallecitos Water District**

**May 2018**

**ACWA Joint Powers Insurance Authority**

2100 Professional Drive  
Roseville, CA 95661-9082  
(800) 231-5742



MINUTES OF A CLOSED SESSION MEETING  
OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, MAY 16, 2018, AT 4:30 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 4:30 p.m.

Director Sannella led the pledge of allegiance.

Present: Director Elitharp  
Director Evans  
Director Martin (4:35 p.m.)  
Director Sannella  
Director Hernandez

Staff Present: General Manager Pruum  
Executive Secretary Posvar

ADOPT AGENDA FOR THE CLOSED SESSION MEETING OF MAY 16, 2018

18-05-03 MOTION WAS MADE by Director Sannella, seconded by Director Evans, and carried unanimously, to adopt the agenda for the Closed Session Meeting of May 16, 2018.

PUBLIC COMMENT

None.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (PER GOVERNMENT CODE SECTION 54956.9(d)(2))

18-05-04 MOTION WAS MADE by Director Sannella, seconded by Director Evans, and carried unanimously, to move into Closed Session pursuant to Government Code Section 54956.9(d)(2).

REPORT AFTER CLOSED SESSION

The Board reconvened to Open Session at the hour of 4:42 p.m. The Board, in Closed Session, voted 4 – 1, with Director Martin abstaining, to deny claim #1802 submitted by Amador & Juana Delval.



ADJOURNMENT

There being no further business to discuss, President Hernandez adjourned the Closed Session Meeting of the Board of Directors at the hour of 4:43 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, May 16, 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 Pruim, Secretary  
Board of Directors  
Vallecitos Water District

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, MAY 16, 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 5:01 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 Gilpin  
Administrative Services Manager Emmanuel  
District Engineer Gumpel  
Finance Manager Owen  
Operations & Maintenance Manager Pedrazzi  
Capital Facilities Senior Engineer Hubbard  
Development Services Senior Engineer Scholl  
Public Information/Conservation Supervisor Robbins  
Financial Analyst Arthur  
Executive Secretary Posvar

ADOPT AGENDA FOR THE REGULAR MEETING OF MAY 16, 2018

18-05-05 MOTION WAS MADE by Director Sannella, seconded by Director Martin, and carried unanimously, to adopt the agenda for the Regular Board Meeting of May 16, 2018.

PRESENTATIONS

Chris Palmer, Public Affairs Field Coordinator with the California Special Districts Association presented the District with the “District Transparency Certificate of Excellence” award from the Special District Leadership Foundation.

Jo MacKenzie, SDLF Board of Director, stated that out of 60 independent special districts, only five have the District of Distinction award, which Vallecitos Water District has. There are only eleven agencies who have gone above and beyond and received the Transparency award. She stated a lot of credit goes to the staff as it is a lot of paperwork and time to pull all the documents together. She distributed a handout to the Board which explains the levels of accreditation.

Maureen Stapleton, General Manager, San Diego County Water Authority (SDCWA), provided an update on water issues, challenges and opportunities. She provided an overview on how far the SDCWA has come over the last 25 years; water reliability – now and into the future; California WaterFix; and, the Metropolitan Water District litigation. The presentation included the following:

- SDCWA's 25-year Journey
- Water Reliability: Interim Long-Range Water Demand Forecast
- Need for Interim Demand Forecast
- Interim Demand Forecast Reset (TAF)
- Water Supply Portfolio
- Normal Year Forecast (TAF)
- Multiple Dry Year Forecast (TAF)
- California WaterFix Update: Cost Impact
- Key Points
- Timeline
- MWD's Recent Actions
- MWD's April Board 10
- Second Tunnel Doesn't Increase MWD Yield
- Cost implications to the Water Authority and Region's Ratepayers
- Ratepayer impact if Water Authority Buys 60,000 AF of MWD water in 2035
- Different Assumptions and Future Decisions Could Change Impact
- MWD Rate Litigation
- MWD Rate Litigation Outcome
- Water Stewardship Rate Litigation Outcome
- Water Stewardship Rate (WSR) Rate Benefits from Litigation
- Key Issues Yet to be Decided
- Total Estimated Financial Stakes for the San Diego Region
- Assumptions: Impacts on Water Authority
- Calculation Steps: Calculating Cost to MWD; Calculating Cost to Water Authority
- Calculating Cost to the Water Authority/Calculating Cost to our Ratepayers
- MWD assigns WaterFix costs on Supply
- MWD assigns WaterFix costs on Transportation
- Where MWD Recovers WaterFix Costs Matters to Water Authority
- Communicating Cost Impacts
- Unanswered Questions from Last Review

Question and answer took place following the presentation. This presentation was provided for information only.

### CONSENT CALENDAR

18-05-06 MOTION WAS MADE by Director Martin, seconded by Director Evans, and carried unanimously, to approve the Consent Calendar as presented.

#### 1.1 Approval of Minutes

- A. Finance/Investment Committee Meeting – April 25, 2018
- B. Regular Board Meeting – May 2, 2018

- 1.2 Warrant List through May 16, 2018 - \$3,259,756.53
- 1.3 Financial Reports
  - A. Water Meter Count – April 30, 2018
  - B. Water Production/Sales Report – 2017/2018
  - C. Water Revenue and Expense Report – April 30, 2018
  - D. Sewer Revenue and Expense Report – April 30, 2018
  - E. Reserve Funds Activity – April 30, 2018
  - F. Investment Report – April 30, 2018
- 1.4 Final Acceptance for Craven Road Sewer Replacement (Brookfield Rancho Coronado, LLC)
- 1.5 Approval of Temporary Off-Site Water Service Agreement for Case Single Family Residence (Liontribe, LLC)

Mike Hunsaker, member of the public, addressed the Board on Item 1.3, referencing discussion on water sales, residential irrigation and agricultural. He stated the meters information appears to be representative of a whole as to where the water goes. There are two-inch meters mainly serving apartments. He further indicated that the State wants almost all water rationing and conservation done by single family dwellings and may largely exempt many multi-family dwellings from any rationing. He asked how the Board was going to start rationing these multi-family units on single master valves. He further stated it would be appropriate now to ban the use of master meters on new development. He thanked the Board.

#### ACTION ITEMS

#### REQUEST FOR AGRICULTURAL WATER TO REPLACE SINGLE FAMILY RESIDENCE RATE AT APN: 187-560-16 (LIONTRIBE, LLC)

Public Information/Conservation Supervisor Robbins provided history on the agricultural water discount program which began with Metropolitan Water District (MWD) in 1958, subsequently ending the discount in October 2008. In January 2013, MWD cancelled their agricultural program. The San Diego County Water Authority (SDCWA) Board voted to implement an agricultural program and have extended it several times. The current ordinance with the SDCWA extends their temporary special agricultural water rate through December 31, 2020.

Neither the SDCWA nor Vallecitos Water District (VWD) has granted new accounts into the agricultural water rate programs. Agricultural accounts are typically grandfathered into the billing system per requirements contained in the Annual Certification and Enrollment Form. The SDCWA does not grant their Transitional Special Agricultural Water Rate (TSAWR) to accounts that were not enrolled in the Interim Agricultural Water Program (IAWP) as of January 1, 2009. VWD has no ability to change SDCWA

requirements. TSAWR customers receive a reduced agricultural water rate, however, in times of drought they must reduce their consumption by the same percentage as any mandated water supply reductions.

VWD has a separate agricultural water rate that is not part of SDCWA's program. The program is "Certified Non-Participating Agricultural Water Rate" (CNPAWR). The rate for this program is not discounted to the same level as TSAWR water, but does not have mandatory restrictions in times of drought. In the past, VWD has followed the SDCWA's requirements and has not granted VWD's CNPAWR to accounts that were not enrolled in the IAWP as of January 1, 2009.

Public Information/Conservation Supervisor Robbins stated he was recently contacted by customer Robert Case who inquired about water service for his property as he wants to utilize 6 of his 13 acres for a vineyard. The property contains a 5/8 inch meter which is classified a residential account. Based on the SDCWA's requirements, Mr. Case would not be eligible for the TSAWR rate. Previous rate ordinances were restrictive of access to the CNPAWR, however, the current ordinance is silent on the subject of CNPAWR accounts.

General discussion took place.

Robert Case addressed the Board stating he purchased the property which was zoned A70. He attended commercial agricultural school at Escondido's Archie's Acres. He encountered the meter size issue when he started to develop the parcel. He does not have the option of the agricultural or the domestic agricultural rate which he is asking for. He doesn't feel it's right that the land is dedicated and zoned for agricultural use. His understanding under the letter of the law is that if someone comes in to an entity and applies for something and the law states one thing and as he understands it, the law sided on this issue, therefore he should be allowed to have his application accepted. He understands there are issues for the Board, but when a customer who is abiding by the letter of the law, wants to come in and pay money in exchange for the services, he doesn't see what the problem would be for someone who already has their application. He respectfully requested that the Board bring his issue back for discussion and a determination of his application.

Kazumi Ikeda addressed the Board and introduced his partner Brisch Ibarra. Mr. Ikeda stated he is responsible for managing the plant in San Marcos which was built ten years ago. All operations are conducted indoors, therefore, the water usage in the plant is pretty much stable. Recently, due to the drought situation, the rate has gone up considerably. He has compared the last five years and the rate has increased approximately 50% in that time while the usage has gone up. He is doing everything possible to shave the costs on electricity, water and natural gas to make the plant run efficiently. Minimum wage has gone up and continues to go up. He requested staff consider a more reasonable rate or the rate they used to pay five years ago. He thanked the Board.

General discussion took place. Following discussion, the consensus of the Board was to bring back Mr. Case's request to the Board next month for additional discussion.

### CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM INFORMATIONAL UPDATE

General Manager Pruim provided an overview of the elements to be discussed which includes what PERS is, defining the difference between classic employees and PEPRAs employees, funding sources, introducing important terms and what all this means to the District. The presentation consisted of:

- What is PERS?
- PERS Membership Breakdown
- PERS Retirement Benefits
- VWD PERS Membership Breakdown
- Funding Sources
- PERS Costs Timeline
- Unfunded Accrued Liability
- Plans Funded Status
- Unfunded Accrued Liability
- CALPERS Investment Earnings
- CAPERS Investment Performance
- Unfunded Accrued Liability
- Unfunded Accrued Liability Annual Payments – PERS 20-Year Schedule
- PERS Costs Timeline
- Normal Cost
- Normal Cost – Employee Share
- Normal Cost – District Portion
- Normal Cost – District Portion with EPMC
- Total PERS Annual Costs
- District PERS Annual Increases
- Employee PERS Annual Increases
- PERS Costs
- Next Steps

General discussion took place during and following the presentation. This presentation was provided for information only.

### REPORTS

#### GENERAL MANAGER

General Manager Pruim stated that in the latter part of June staff will be starting a pilot construction project. Staff are in the process of public outreach for the customers who



live along the streets to make them aware of what staff will be doing. He will be inviting the Board out to the site when construction actually starts.

Director Sannella inquired on the status of the award for the audio video upgrade. Principal Engineer Gumpel stated the contract has been awarded and staff is waiting for the final contracts to be signed by legal staff. Staff has begun talking about scheduling the preconstruction meeting and is working with the new IT Supervisor to bring him up to date on all the different attributes. He doesn't know if the pre-construction meeting has been scheduled yet, which is the next step. At that point, staff will begin requesting submittals and schedules.

#### DISTRICT LEGAL COUNSEL

Legal Counsel Gilpin stated that Ken Calvert introduced a spending bill with the Interior Department to preclude environmental lawsuits. He also stated that Western Municipal Water District was sued recently on a budget based tier rate. Will continue to monitor this case.

#### SAN DIEGO COUNTY WATER AUTHORITY

Director Evans stated the Board meeting is Thursday, May 24. She will be attending a Governance Committee meeting this week to discuss the ACWA JPIA agreement for the Water Conservation Garden; she will be attending a news conference on the 23<sup>rd</sup> as the representative for SDCWA on the consolidated united effort of opposition to the water tax proposals.

#### ENCINA WASTEWATER AUTHORITY

President Hernandez reported on his attendance to the Capital Improvement Committee meeting this morning at which the Committee discussed the project status; have a coating opportunity for them to take due to salt and corrosiveness; an as needed general contract service took place; discussed the bioenergy and admission strategy plan; they are getting between 6 and 10 trucks per day; have an opportunity for increasing gas production; there is an issue with the permitting process; APCD permit doesn't allow generating on a pro-generation as well as wanted; the odor control issue that has taken place over the past two months is completely under control; and discussed the Technology System Implementation Plan. The next meeting is June 20.

Director Elitharp stated the Policy and Finance Committee will meet on June 12.

#### STANDING COMMITTEES

None.

DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED

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

Director Martin reported on the ACWA JPIA meeting at the ACWA Conference as well as the ACWA Conference.

Director Elitharp reported on his attendance to the ACWA Conference.

Director Evans reported on her attendance to the ACWA Conference and the ACWA Region 10 meeting.

OTHER BUSINESS

QUARTERLY BOARD EXPENSES

This information was provided per Ordinance No. 203; no action required.

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 8:07 a.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, June 6, 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 Pruiim, Secretary  
Board of Directors  
Vallecitos Water District

MINUTES OF A WORKSHOP MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
MONDAY, MAY 21, 2018, AT 3:00 PM  
AT THE DISTRICT OFFICE  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Hernandez called the Workshop meeting to order at the hour of 3:00 p.m.

Director Elitharp led the pledge of allegiance.

Present: Director Elitharp  
Director Evans (3:11 p.m.)  
Director Martin  
Director Sannella  
Director Hernandez

Staff Present: General Manager Pruim  
Legal Counsel Gilpin  
Administrative Services Emmanuel  
District Engineer Gumpel  
Finance Manager Owen  
Operations & Maintenance Manager  
Financial Analyst Arthur  
Executive Secretary Posvar

ADOPT AGENDA FOR THE WORKSHOP MEETING OF MAY 21, 2018

18-05-07 MOTION WAS MADE by Director Martin, seconded by Director Sannella, and carried unanimously, to adopt the agenda for the Board Workshop Meeting on May 21, 2018.

PUBLIC COMMENT

None.

ITEM(S) FOR DISCUSSION

FISCAL YEAR 2018/2019 BUDGET

General Manager Pruim stated the purpose of the workshop is to present the Board with a high-level overview in preparation for the presentation the Board will see on June 6. At that meeting, staff will be asking the Board to adopt the FY 2018/2019 budget. Finance Manager Owen will provide a summary of the budget process/preparations undergone. Staff has been working on the budget since last December. Staff at all levels have contributed to the budget document which has been vetted by the Finance Committee. Staff has controlled costs that can be controlled. He further stated that the

Board will see a budget that does several things: 1) it's within the revenue estimates that are based on the already approved rates; 2) will maintain the high levels of service as previously done; 3) pays all current pension obligations and all of the debt service; 4) puts the District in a position to retain its high credit rating; 5) it will accommodate some level of water sales reductions.

Finance Manager Owen will review the budget process and calendar, water and sewer operating expenses, salaries and benefits, capital budget, reserve balances and the next steps. Financial Analyst Arthur will review the water sales and purchases as well as sewer revenue.

Finance Manager Owen reviewed the budget process and calendar stating in February audited actuals and projections for 2018 were updated; individual departments submitted budget requests; Finance Committee met and reviewed the budget process and calendar; the operating budget was compiled in March; completed the FY 2018 projections; and prepared the payroll estimates.

The Finance Committee met on March 22<sup>nd</sup> to review the operating budget requests and to review the preliminary salaries and benefits. In April, staff incorporated the operating budget, prepared the draft capital budget, and reviewed the capital and operating draft in total. The Committee met again on April 2<sup>nd</sup> to review the operating budget and the preliminary capital budget. The Committee met again on April 25<sup>th</sup> to review the draft operating and capital budget and discuss any recommended items or if the Committee had any changes/suggestions. The draft budget was reviewed in May and has been revised and refined by management and staff. In June, staff will be incorporating any changes the Board has and will present the budget to the Board on June 6 for approval.

Finance Manager Owen reviewed the following elements of the budget:

- Water Operations budget
- Water Purchases
- Operations Increased by \$200,000
- G&A Increased by \$200,000
- Wastewater Operations
- Treatment decreased by \$200,000 resulting in a reduction in EWA's budget by \$107,000 as well as reduction in outside services to the plant and lift station around \$100,000
- Salaries and Benefits

Financial Analyst Arthur reviewed water purchases stating there is approximately \$32,250,000 in water purchases of which \$26,500,000 is in commodity (variable) and \$5,750,000 in fixed costs. Staff is expecting purchases of approximately 16,700 acre feet, which is approximately 3.5% above the current fiscal year projections. Projected to

sell approximately 15,350 acre feet of water. Total revenue is approximately \$31,800,000 in commodity revenue. Fixed charges/readiness to serve is approximately \$13.3 million. When the sales cut back 10%, it doesn't mean revenues have cut back 10%. Most of the cutbacks will be in tier 3. Sales would be a decrease in approximately \$2 million and purchases would be cut back approximately \$1 million. A net change to reserve balance would be approximately \$960,000. Have projected \$2.2 million to go into reserves in FY 18/19.

Financial Analyst Arthur stated rates have not changed for sewer. The sewer revenue increase is projected to be 1%. Overall sewer revenue for FY 18-19 is projected to be \$20,008,000. He further stated the District is purchasing 16,700 acre feet of water and selling approximately 15,500. There is approximately 7-8% estimated in non-revenue water. A water audit was performed and the water loss percentage is well below industry standards.

Finance Manager Owen resumed his presentation reviewing the following elements of the budget:

- Capital budget to budget comparison
- \$17.1 million projected to be expended in 2019 of the total capital budget
- \$144 million for the total five-year budget
- Summary of this year's five-year capital budget
- Capital budget includes easements, vehicles and equipment - \$778,000
- Change from last year to this year is \$22.3 million
- Reviewed projects by water and sewer
- Water in 18/19 is \$3.6 million – Sewer projects will be \$13.5 million
- Total Water Projects over the next five years is \$45.1 million
- Total Sewer Projects over the next five years is \$98.9 million
- EWA projects account for \$23.7 million of the \$98.9 million
- New Projects
- Reserve Balances
- Next Steps

Question and answer took place during and following the presentation.

#### OTHER BUSINESS

None.

#### ADJOURNMENT

There being no further business to discuss, President Hernandez adjourned the Workshop Meeting of the Board of Directors at the hour of 3:39 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, June 6, 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 Prui, Secretary  
Board of Directors  
Vallecitos Water District



MINUTES OF A WORKSHOP MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
TUESDAY, MAY 22, 2018, AT 3:00 PM  
AT THE DISTRICT OFFICE  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Hernandez called the Workshop meeting to order at the hour of 3:00 p.m.

President Hernandez led the pledge of allegiance.

Present: Director Elitharp  
Director Evans (3:01 p.m.)  
Director Martin  
Director Sannella  
Director Hernandez

Staff Present: General Manager Pruim  
Legal Counsel Gilpin  
Administrative Services Emmanuel  
Finance Manager Owen  
Financial Analyst Arthur  
Executive Secretary Posvar

ADOPT AGENDA FOR THE WORKSHOP MEETING OF MAY 22, 2018

18-05-08 MOTION WAS MADE by Director Sannella, seconded by Director Martin, and carried unanimously, to adopt the agenda for the Board Workshop Meeting on May 22, 2018.

PUBLIC COMMENT

None.

ITEM(S) FOR DISCUSSION

VALLECITOS WATER DISTRICT'S CALPERS PENSION OBLIGATIONS

General Manager Pruim stated the purpose of the workshop is to discuss Public Employee Retirement System (PERS) costs. This was discussed at last Wednesday's Board meeting referencing today's meeting. The agenda is to talk about the purpose and going over what was discussed at the May 16 Board meeting, discuss the legal considerations which will be presented by Legal Counsel Gilpin, discuss some of the actions taken to address PERS costs, discuss the components of the PERS costs, discuss the options to address the PERS costs, and will provide insight on what those options would mean on Vallecitos customers. Will be looking only at the single family residential customer.

General Manager Pruim further stated that the purpose of today's meeting is to share more information with the Board regarding PERS costs, to address any Board questions or concerns they may have, the Board identify the options they want staff to consider further, and provide staff any direction.

General Manager Pruim recapped last week's Board meeting stating discussion took place on the funding sources, discussed unfunded accrued liability, normal costs, the District's current liability, and was asked about Encina Wastewater Authority's liability.

Legal Counsel Gilpin addressed the Board stating given the discussion from last week's Board meeting, there are several legal considerations that he wanted to discuss with the Board. This consisted of:

- The California Rule
- PERS – Voluntary Termination
- Defined Benefit Plans
- Employee Contribution Limits
- Cost Sharing

He cited a California rule that stems from a 1955 court ruling in which the court defined public benefits as sacrosanct and that can't be amended or changed without some offsetting benefit. That led to Governor Brown executing PERS reform. Two subsequent cases followed up on cuttings of the pensions. The first case being the Marin County Employees' Retirement Association filing in which the court upheld a PEPPA provision prohibiting pension spiking. The second case was the Cal Fire Local 2881 filing in which the case upheld a PEPPA provision which eliminates "airtime" purchases. Both cases are under review at the California Supreme Court. Legal Counsel Gilpin stated he does not think the retroactive benefits will be changed.

Legal Counsel Gilpin addressed whether VWD could voluntarily terminate their relationship with PERS stating that under the law, it is possible, however the District would be required to pay the current existing obligations under PERS, which would cost approximately \$80 million. He further stated there are defined benefit packages that are available such as the 457(b) Plan and the 401A, which is a defined contribution plan and involves investments from the employer's side.

Questions have arisen as to what the limits are on the amount of the employee contributions. Government Code 20156.5 limits required employee contributions. Employee limits are currently at 8% which is the limit of required contributions for an employee. Employees cannot be required to contribute more than 8% without going into negotiations. The Board cannot impose cost sharing by the employees on the employer's side of the contribution.

General Manager Pruim resumed his presentation by recapping on the actions taken already and continuing the presentation as follows:

- Actions Taken to Address PERS Costs
- Employee Cost
- District Normal Cost
- Unfunded Accrued Liability
- UAL Payment Options

Financial Analyst Arthur reviewed the following options:

- PERS 30 Year vs. 20 Year
- PERS Options
- External Funding Option
- Internal Funding Options
- PERS Options Summary

General Manager Pruim resumed his presentation as follows:

- Impacts to Customers
- Next Steps

Mike Hunsaker, member of the public, addressed the Board stating that there is a hidden assumption that goes in most of what's been heard, but it doesn't consider inflation. There are three factors which are particularly contributory to inflation: lending costs, minimum wage, and fuel costs. He's seen some projections going over 10% per year. Typically there's different floor arrangements as to whether it's 75% or 85% of the retiree's pension benefit. Once it gets above 75% or whatever the floor is, then the difference has to be made up. He feels there needs to be a discussion of what the purchasing floor basis is and how it is calculated. He thanked the Board.

Discussion on options took place following the presentation. Following discussion, the consensus was to consider internal borrowing with a 20-year option and explore supplemental payment options. Staff will present a few different options at a future Board meeting

#### OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to discuss, President Hernandez adjourned the Workshop Meeting of the Board of Directors at the hour of 4:27 p.m.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, June 6, 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 Pruim, Secretary  
Board of Directors  
Vallecitos Water District

VALLECITOS WATER DISTRICT  
WARRANTS LIST  
June 6, 2018

PAYEE	DESCRIPTION	CHECK#	AMOUNT
<b>CHECKS</b>			
ACWA/Joint Powers Insurance	Group Insurance May	113667	207,484.28
AT&T	Phone Svc Apr	113668	2,931.15
AT&T	Internet Svc May	113669	64.25
County of San Diego	Admin Fee - Water Line Rehab - Stargaze Ct & River Run Circle	113670	50.00
Ford of Escondido	2018 F-550 Mechanical/Electric Dept Prj 20181-30	113671	29,090.41
Home Depot Credit Services	Hardware Supplies April	113672	818.30
Petty Cash Custodian	Petty Cash	113673	882.24
Redback USA	Safety Boots - 4 Pairs	113674	530.59
SDG&E	Power Apr	113675	78,286.94
Union Bank FKA 1st Bank Card	Meetings & Travel Apr	113676	5,796.68
Union Bank FKA 1st Bank Card	Meetings & Travel Apr	113677	2,390.71
Union Bank FKA 1st Bank Card	Meetings & Travel Apr	113678	4,444.10
Union Bank FKA 1st Bank Card	Meetings & Travel Apr	113679	217.72
Verizon Wireless	Ipad & Cell Phone Svc Apr	113680	1,942.23
Garnishments	Payroll Garnishments	113681 through	-
Ababa Bolt Inc	Hardware Supplies	113685	70.81
Adobe Lock & Safe	New Lock & Installation	113686	564.54
Air Pollution Control District	Emission Fees - 2 Sites	113687	1,042.00
Airgas USA LLC	Cylinder Rental	113688	103.95
J.C. Ehrlich Co Inc	Plant Maintenance May	113689	263.00
Arrow Real Estate	Closed Account Refund	113690	88.32
AT&T	Phone Svc Apr	113691	40.46
AT&T	SCADA Phone Svc May	113692	269.26
Athenx Inc	Key Pad - Employee Gate	113693	558.29
Atom Engineering Construction, Inc.	North/South Pressure Reducing Stations Prj 20141-7 & 8	113694	49,338.25
Automated Water Treatment	Chlorine Injections System - Coronado Hills Tank - Prj 20181-15	113695	11,815.31
Best, Best & Krieger	Legal Svcs Mar & Apr	113696	20,146.18
Biotechnical Services Inc	Annual Lab Equipment Calibration - MRF	113697	250.00
Boncor Water Systems	Soft Water & Drinking Water Svc May	113698	1,726.00
Boot World Inc	Safety Boots - 4 Pairs	113699	561.79
Brookfield Rancho Coronado LLC	Closed Account Refund	113700	962.27
Cal Atlantic Homes	Closed Account Refund	113701	585.81
Calolympic Safety	Hazmat Suit & Safety Supplies	113702	1,059.31
City Of Carlsbad	Quarterly Sewer Service	113703	6,674.40
Chandler Asset Management, Inc.	Investment Management Svcs - Apr	113704	1,733.18
Jeffrey Colwell	Video Production Prj 20181-44	113705	971.25
Controlled Motion Solutions, Inc.	Hardware Supplies	113706	49.23
Corodata Media Storage Inc	Back Up Storage Apr	113707	156.17
County of San Diego	Encroachment Permit Application	113708	143.00
Craig Elitharp	COWU Meeting 3-20-18 & 5-15-18, ACWA Conference 5-7-18	113709	123.60
Daniel Prieto	Laserfiche Training 4-26-18	113710	92.65
Diamond Environmental Services	Water Pumping Svc May	113711	1,719.00
Dion International Trucks LLC	Engine Repairs Veh 213	113712	1,897.19
Doane & Hartwig Water Systems Inc	Hoses 4	113713	421.75
Doug's Filter Service Inc	Fuel Filters 4 & Wiping Rags	113714	418.15
Dragoljub Bujosevic	Refund Prj Balance 20141-621	113715	424.67
Dudek	North/South Pressure Reducing Stations Prj 20141-7 & 8	113716	840.00
El Camino Rental	Concrete Prj 20171-5	113717	162.38
Eurofins Eaton Analytical Inc	Algae Sample Data - Mahr Reservoir	113718	210.00
Ferguson Enterprises, Inc	Air Vac Cans 5, Valves 6, PVC Pipes, Hardware Supplies	113719	3,911.34
Firestone Builders, Inc.	Office Wall For Senior Construction Workers Prj 20181-25	113720	10,000.00
Fisher Scientific LLC	Lab Supplies	113721	318.20
G & W Truck Accessories	Tool Boxes 2, Cab Protector - New Water OPS vehicle Prj 20181-33	113722	1,884.55
Glenn Pruim	Reissue Ck #110941 On 5-30-17, ACWA Conference 5-9-18	113723	15.50
Gracia Gibson	Closed Account Refund	113724	13.62
Grainger Inc	Kneeling Pads, Buckets, Cleaning Supplies, Sump Pump, Fire Extinguisher	113725	2,963.66
Green Thumb Nursery	Landscaping Supplies - LS2	113726	1,427.94
James Gumpel	Professional Engineering License Renewal	113727	115.00
Hallmark Communities	Refund Prj Balance 20151-868	113728	1,137.83

VALLECITOS WATER DISTRICT  
WARRANTS LIST  
June 6, 2018

PAYEE	DESCRIPTION	CHECK#	AMOUNT
Harrington Industrial	Chlorine Injector Piping MRF Prj 20181-38, Ball Valves 6	113729	2,333.42
Huntington & Associates, Inc.	8 Inch Plastic Discs 2, Rebuild Kits 3 For Pump Control Valves	113730	6,189.23
Idibri Consulting LP	Audio Visual Upgrade Prj 20151-2	113731	820.00
Infosend Inc	Support Fee, Door Hangers, Processing, Postage, Printing Apr	113732	12,367.93
Interstate Batteries	Batteries Coggan Tank 6, Batteries Veh 179 & Veh 194, Batteries 4 Hazmat Trailer	113733	1,431.36
Jason Hubbard	Professional Engineering License Renewal	113734	115.00
Jeff Katz	Bldg B Locker Room Expansion Prj 20161-5	113735	84.21
JCI Jones Chemicals Inc	Chlorine	113736	2,043.21
Kaman Industrial Technologies	Hardware Supplies	113737	60.62
Safety-Kleen Systems Inc	Parts Washer Rental	113738	363.69
Knight Security & Fire Systems	Answering, Monitoring, Patrol Svc May, Svc Call Bldg A	113739	698.19
KRC Rock Inc	Landscaping Supplies - LS1	113740	5,554.52
Liebert Cassidy Whitmore	Professional Svcs Apr	113741	1,426.00
Lloyd Pest Control	Pest Control Apr	113742	764.00
Major League Pest	Bee Removal	113743	125.00
Malik Ismail	Closed Account Refund	113744	13.68
Mallory Safety & Supply, LLC	Safety Supplies	113745	2,565.61
Manpower Temp Services	Cust Svc Rep Week Ending: 4-15, 4-22, & 4-29	113746	2,696.89
Marcon Products Inc	Concrete Prj 20181-15	113747	482.89
Maricel C Maggay	Overpayment Refund	113748	251.60
Martha Eakin	Closed Account Refund	113749	111.48
Hal Martin	ACWA Conference 5-6-18, CSDA Meeting 5-17-18	113750	617.15
Matheson Tri-Gas Inc	Cylinder Rental	113751	49.18
Matt Wiese	Safety Award From ACWA/JPIA	113752	33.33
NCB Reprographics	Copies Prj 20181-7	113753	211.64
Miramar General Engineering	Closed Account Refund	113754	701.27
Mission Capitol Properties Inc	Closed Account Refund	113755	29.59
Mission Resource Conservation District	Water Use Evaluations 5 Prj 20181-46	113756	312.50
Noel Lopez	Closed Account Refund	113757	42.10
North County Auto Parts	Fleet Supplies Apr	113758	1,499.95
Olivenhain MWD	Treated Water Apr	113759	89,713.00
Olympic Coatings California	Montiel Lift Station - Pump & Motor Stand Coating	113760	197.99
One Source Distributors LLC	PLC Batteries 6, Hardware Supplies	113761	950.93
Ostari Inc	VMware Support & Subscription 18-19, IT Management Svcs Apr	113762	19,632.26
Pacific Pipeline Supply	Supplies 16" Water Main Break, Gate Valves 4, Valve Boxes & Lids, Couplings	113763	12,789.26
Parkhouse Tire Inc	Tires 8 Veh 235 - Equipment Trailer, Fleet Tires	113764	6,696.29
Penco, Inc.	Trioxyn, Sulfend RT	113765	20,202.18
Pitney Bowes	Postage Meter Refill Apr	113766	1,000.00
Plumbers Depot Inc	Leader Hoses 5, Hardware Supplies	113767	1,247.29
Polydyne Inc	Clarifloc	113768	16,192.89
Rick Post Welding	Water Main Repair Prj 20181-429; Fire Service Replacement	113769	1,563.56
Ray Kafity	Closed Account Refund	113770	88.05
Ray White Cement	200 Travelers Way - Driveway Repair - 748 Sq. Ft	113771	10,327.00
Redback USA	Safety Boot Exchange	113772	36.64
Air Quality Compliance Solutions, Inc.	Fuel Island Maintenance May	113773	175.00
Dennis Richardson	Safety Award From ACWA/JPIA	113774	33.33
Robert Gregory	Closed Account Refund	113775	69.56
Rusty Wallis Inc	Soft Water Tank Svc May, Svc To Water Tank MRF	113776	384.20
SDG&E	Power Apr	113777	18,178.23
Reliable & Dependable, Inc.	Ice Machine Repairs & Cleaning	113778	1,127.07
Jeremy Scott	Safety Award From ACWA/JPIA	113779	33.34
Shamira Gelin	Closed Account Refund	113780	57.01
Shane Formanek	Closed Account Refund	113781	13.32
Simmaly Phommmasane	Closed Account Refund	113782	229.86
Solar Care Inc.	Window Tinting - Upstairs Conference Room	113783	165.00
Southern Counties Lubricants, LLC	Unleaded Gasoline	113784	17,075.19
Streamline Auto Body	Hood Repair Veh 249	113785	688.24
Three Arch Capital Mgmt LLC	Closed Account Refund	113786	63.57
Total Resource Mgt Inc	Maximo Support Apr	113787	489.00
Trugrit Traction, Inc.	Tires 6 For CCTV Transporter	113788	622.00



VALLECITOS WATER DISTRICT  
WARRANTS LIST  
June 6, 2018

PAYEE	DESCRIPTION	CHECK#	AMOUNT
Trussell Technologies Inc	Biological Evaluation	113789	3,954.50
Underground Service Alert	Dig Alert Svc Apr	113790	359.80
Unitis, Inc.	Industrial Salt MRF	113791	1,342.16
Univar USA Inc	Sodium Bisulfite, Caustic Soda	113792	6,385.12
UPS	Shipping Svcs May	113793	12.30
Verizon Wireless	Ipad Svc Apr	113794	129.51
Vortex Industries Inc	Emergency Gate Repair MRF, Gate Repair - Back Gate - Main Office	113795	4,728.76
VWR International	Lab Supplies	113796	67.13
Water Education Group	Water Playing Cards Prj 20181-43	113797	98.75
Tri-City Emergency Medical Group	Medical Svcs	113798	190.00
Xerox Corporation	Copier Lease Apr	113799	5,432.94
Alicia Yerman	CAPIO Conference 4-10-18	113800	639.69
All Tubes Inc.	Cut & Weld Aluminum Tank Cover	113801	300.00
County of San Diego	Recording Fees Apr	113802	0.64
County of San Diego	Facility Permits 2	113803	2,254.00
Electrical Sales Inc	Supplies - Underground Conduit Repair, Hardware Supplies	113804	1,442.54
Employment Screening Services Inc	Employment Screening Svcs	113805	125.50
Fitness Direct Inc.	Wellness Equipment Annual Maintenance	113806	330.66
Gallade Chemical Inc.	Sodium Hypochlorite	113807	117.50
Hach Company	Test Strips, Lab Supplies MRF, Flo Dar Meter Repairs, PH Probe Replacement	113808	5,486.38
International Public Management	R Emmanuel & B Anderson Membership Renwal 18-19	113809	130.00
Public Relations Society of America	Membership Renewal 18-19 Prj 20181-48	113810	320.00
Recycled Aggregate Materials Co Inc	Concrete Recycling	113811	75.00
San Marcos Unified School Dist	Transportation Svcs Prj 20181-45	113812	525.00
Schmidt Fire Protection Co Inc	Quarterly Sprinkler Maintenance MRF & Main Office	113813	1,779.00
SD County Superintendent	Splash Lab Prj 20181-45	113814	1,259.00
Specialty Seals & Accessories	Mechanical Seals 2 North Twin Oaks & Wulff Pump Stations Prj 20181-17 & 18	113815	958.04
T.S. Industrial Supply	Hose, Pressure Gun, Nozzle, Hardware Supplies	113816	1,426.23
Talley Communications	Antenna & Lightning Protectors Main Office, Hardware Supplies	113817	902.44
Test America Laboratories Inc	Water Sampling	113818	932.00
Traffic Supply Inc	Traffic Barricades 4	113819	207.01
Unifirst Corporation	Uniform Delivery	113820	3,042.94
Void	VOID	113821	-
Varidesk, LLC	Sit/Stand Desk, Monitor Arms	113822	878.18
Waxie Sanitary Supply	Cleaning Supplies	113823	1,819.96
Total Disbursements (152 Checks)			<u>773,888.59</u>
<b>WIRES</b>			
Public Employees Retirement System	Retirement Contribution - May 23, 2018 Payroll	Wire	64,080.78
<b>PAYROLL</b>			
Total direct deposits		Wire	223,758.99
VWD Employee Association		113681	594.00
Garnishments		113682 through 113684	1,270.14
IRS	Federal payroll tax deposit	Wire	87,611.20
Employment Development Department	California payroll tax deposit	Wire	17,114.40
CalPERS	Deferred compensation withheld	Wire	14,146.56
VOYA	Deferred compensation withheld	Wire	5,633.19
Total May 23, 2018 Payroll Disbursements			<u>350,128.48</u>
Total direct deposits		Wire	63,966.22
IRS	Federal payroll tax deposits	Wire	29,994.54
Employment Development Department	California payroll tax deposit	Wire	6,715.18
Special Payroll Disbursements (i.e., final checks, accrual payouts, etc.)			<u>100,675.94</u>
Total Payroll Disbursements			<u>450,804.42</u>
<b>TOTAL DISBURSEMENTS</b>			<u><u>1,288,773.79</u></u>

**DATE: JUNE 6, 2018**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: APPROVAL OF CONSTRUCTION AGREEMENT FOR RANCHO CORONADO MU-4 SUNSTONE DRIVE IMPROVEMENTS APN 222-170-36, 222-170-37 & 222-190-17 (BROOKFIELD RANCHO CORONADO, LLC)**

**BACKGROUND:**

Brookfield Rancho Coronado, LLC, owner of the project, has completed the plan check process with the District. The project is located west of S. Twin Oaks Valley Road and north of South Lake.

**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.

The project will construct approximately 789 feet of 8-inch diameter PVC water main and 555 feet of 10-inch diameter PVC water main.

All engineering fees and inspection deposits have been paid prior to Board approval of the Construction Agreement. Water capital facility fees are due and payable prior to issuance of the final building inspection and/or utility release per Resolution No. 1441. The Sunstone Drive improvements will serve 2 irrigation meters along with firefighting appurtenances. The developer will be required to pay \$98,986.21.00 in water capital facility fees for these meters.

The owner has submitted standard surety bonds to guarantee completion of the project. The following bond amounts have been reviewed and approved by staff:

Labor and Materials	\$90,411.00
Faithful Performance	\$90,411.00

**FISCAL IMPACT:**

None. Future water revenues will offset costs of service.

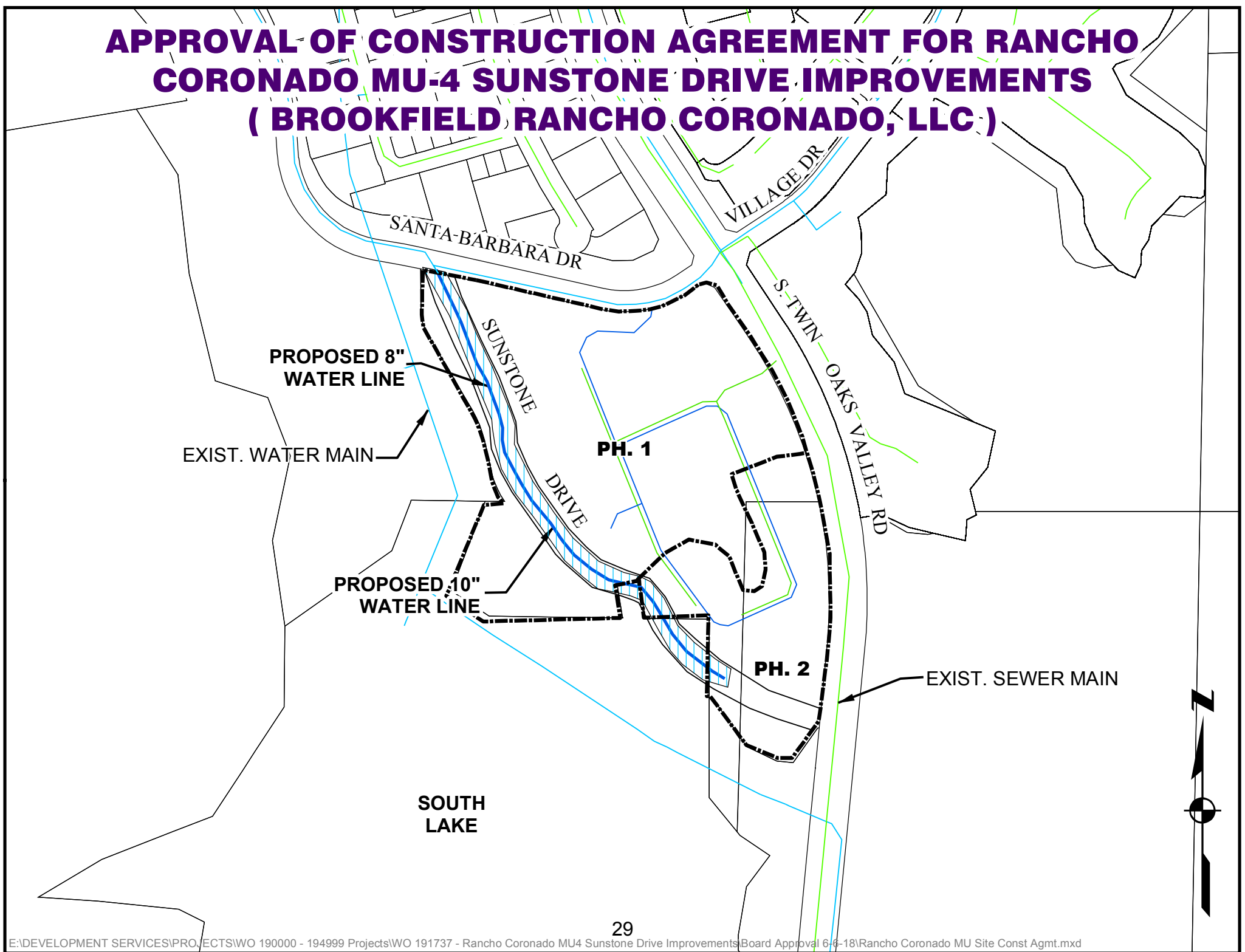
**RECOMMENDATION:**

Approve the construction agreement for Rancho Coronado MU-4 Sunstone Drive Improvements.

**ATTACHMENTS:**

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

# APPROVAL OF CONSTRUCTION AGREEMENT FOR RANCHO CORONADO MU-4 SUNSTONE DRIVE IMPROVEMENTS ( BROOKFIELD RANCHO CORONADO, LLC )









**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 **Brookfield Rancho Coronado, LLC**. (“DEVELOPER”), a Delaware LLC.

**RECITALS**

1. DEVELOPER desires to improve certain real property which lies within the boundaries of the DISTRICT consisting of approximately **2.50** acres commonly described as Tax Assessor's Parcel Nos. **222-170-36, 222-170-37 & 222-190-17** (“PROJECT”).

2. DEVELOPER has requested that DISTRICT provide water and/or sewer service to parts of 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 **Hunsaker & Associates San Diego, Inc.** and are identified as **Rancho Coronado MU4 - Sunstone Drive Improvements – VWD WO# 191737**. 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 \_\_\_\_\_, 201\_\_\_. 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.** Upon execution of this Agreement and prior to Board approval, DEVELOPER shall provide the DISTRICT with a payment bond and a performance bond, each in the amount of **\$ 90,411.00**. 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 \$ 16,432.00 to cover all DISTRICT fees and costs associated with the FACILITIES. When this deposit has been drawn down to \$ 1,000.00, 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 \_\_\_\_\_.



**“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: JUNE 6, 2018**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: APPROVAL OF CONSTRUCTION AGREEMENT FOR RANCHO CORONADO MU-4 SITE PHASE 1**  
**APN 222-170-36, 222-170-37 & 222-190-17**  
**(BROOKFIELD RANCHO CORONADO, LLC)**

**BACKGROUND:**

Brookfield Rancho Coronado, LLC, owner of the project, has completed the plan check process with the District. The project is located west of S. Twin Oaks Valley Road and north of South Lake.

**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.

The project will construct approximately 1,745 feet of 8-inch diameter PVC water main and 1,600 feet of 8-inch diameter PVC sewer main.

Upon completion of the water and sewer facilities, water and sewer service will be available to 164 multi-family dwelling units.

All engineering fees and inspection deposits have been paid prior to Board approval of the Construction Agreement. Water and wastewater capital facility fees are due and payable prior to issuance of the final building inspection and/or utility release per Resolution No. 1441. The developer will be required to pay \$1,075,826.12 in water capital facility fees and \$1,214,607.30 in wastewater capital facility fees for the 164 multi-family dwelling units.

The owner has submitted standard surety bonds to guarantee completion of the project. The following bond amounts have been reviewed and approved by staff:

Labor and Materials	\$540,324.00
Faithful Performance	\$540,324.00

**FISCAL IMPACT:**

None. Future water and sewer revenues will offset costs of service.

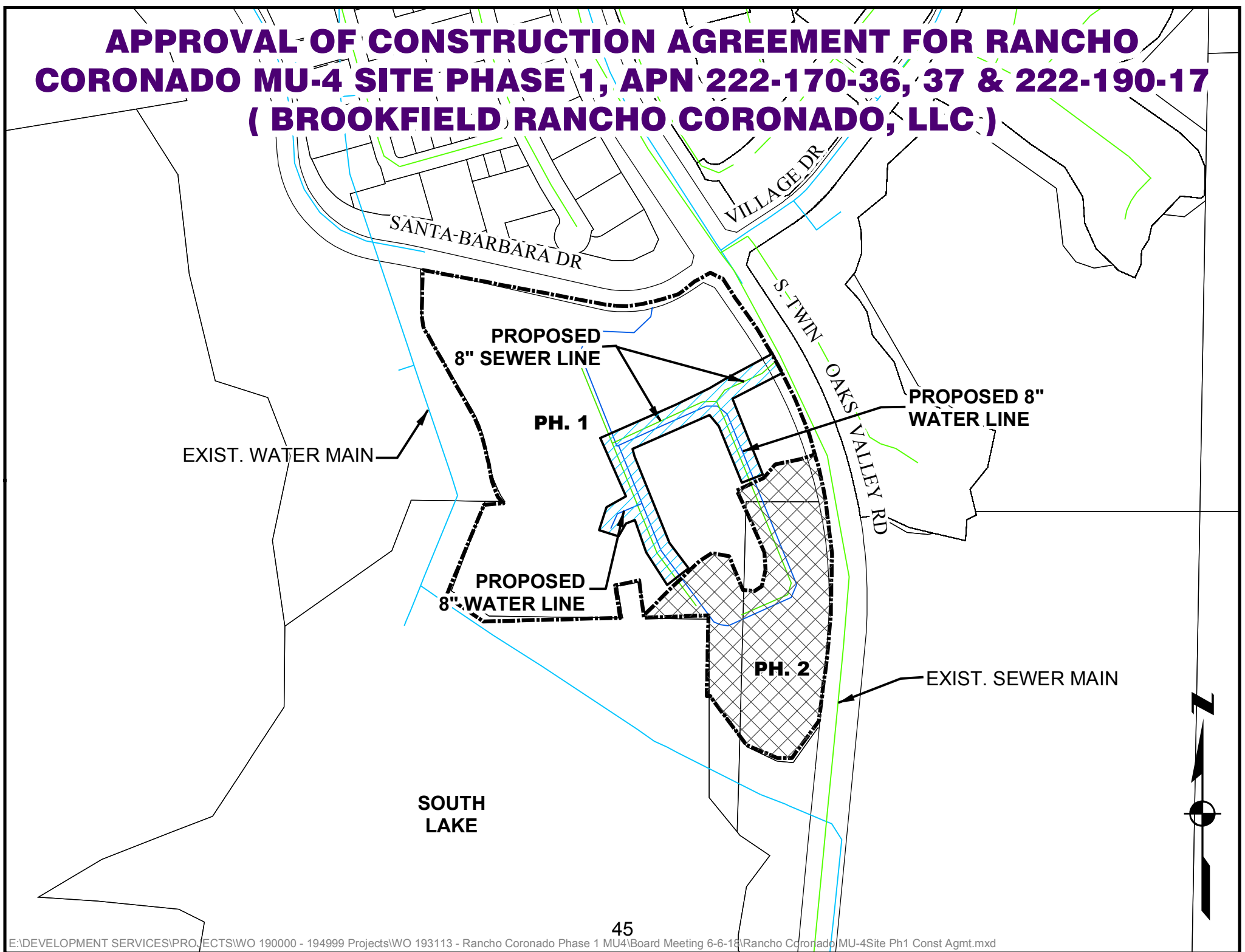
**RECOMMENDATION:**

Approve the construction agreement for Rancho Coronado MU-4 Site Phase 1.

**ATTACHMENTS:**

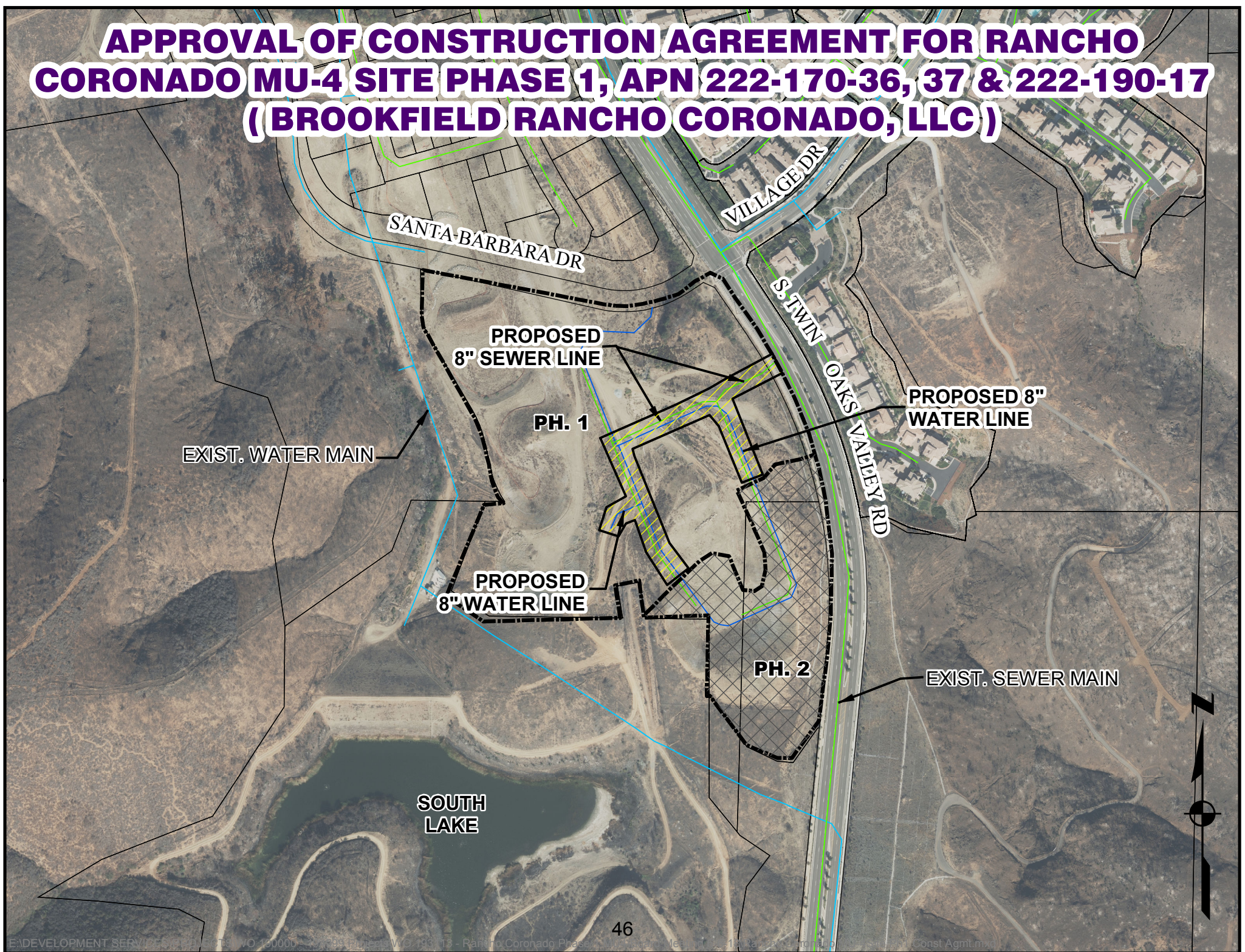
2 Map Exhibits – 1 Plat Map & 1 Aerial  
Construction Agreement

# APPROVAL OF CONSTRUCTION AGREEMENT FOR RANCHO CORONADO MU-4 SITE PHASE 1, APN 222-170-36, 37 & 222-190-17 ( BROOKFIELD RANCHO CORONADO, LLC )





# APPROVAL OF CONSTRUCTION AGREEMENT FOR RANCHO CORONADO MU-4 SITE PHASE 1, APN 222-170-36, 37 & 222-190-17 ( BROOKFIELD RANCHO CORONADO, LLC )





**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 **Brookfield Rancho Coronado, LLC**. (“DEVELOPER”), a Delaware LLC.

**RECITALS**

1. DEVELOPER desires to improve certain real property which lies within the boundaries of the DISTRICT consisting of approximately **12.27** acres commonly described as Tax Assessor's Parcel Nos. **222-170-36, 222-170-37 & 222-190-17** (“PROJECT”).

2. DEVELOPER has requested that DISTRICT provide water and/or sewer service to parts of 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 **Hunsaker & Associates San Diego, Inc.** and are identified as **Rancho Coronado MU-4 Phase 1 Improvements – VWD WO# 193113**. 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 \_\_\_\_\_, 201\_\_\_. 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.** Upon execution of this Agreement and prior to Board approval, DEVELOPER shall provide the DISTRICT with a payment bond and a performance bond, each in the amount of **\$ 540,324.00**. 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 \$ 36,635.00 to cover all DISTRICT fees and costs associated with the FACILITIES. When this deposit has been drawn down to \$ 1,000.00, 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 \_\_\_\_\_.



**“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: JUNE 6, 2018**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: APPROVAL OF CONSTRUCTION AGREEMENT FOR RANCHO CORONADO MU-4 SITE PHASE 2**  
**APN 222-170-36, 222-170-37 & 222-190-17**  
**(BROOKFIELD RANCHO CORONADO, LLC)**

**BACKGROUND:**

Brookfield Rancho Coronado, LLC, owner of the project, has completed the plan check process with the District. The project is located west of S. Twin Oaks Valley Road and north of South Lake.

**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.

The project will construct approximately 686 feet of 8-inch diameter PVC water main and 500 feet of 8-inch diameter PVC sewer main.

Upon completion of the water and sewer facilities, water and sewer service will be available to 56 multi-family dwelling units.

All engineering fees and inspection deposits have been paid prior to Board approval of the Construction Agreement. Water and wastewater capital facility fees are due and payable prior to issuance of the final building inspection and/or utility release per Resolution No. 1441. The developer will be required to pay \$435,190.00 in water capital facility fees and \$397,464.65 in wastewater capital facility fees for the 56 multi-family dwelling units.

The owner has submitted standard surety bonds to guarantee completion of the project. The following bond amounts have been reviewed and approved by staff:

Labor and Materials	\$192,343.00
Faithful Performance	\$192,343.00

**FISCAL IMPACT:**

None. Future water and sewer revenues will offset costs of service.

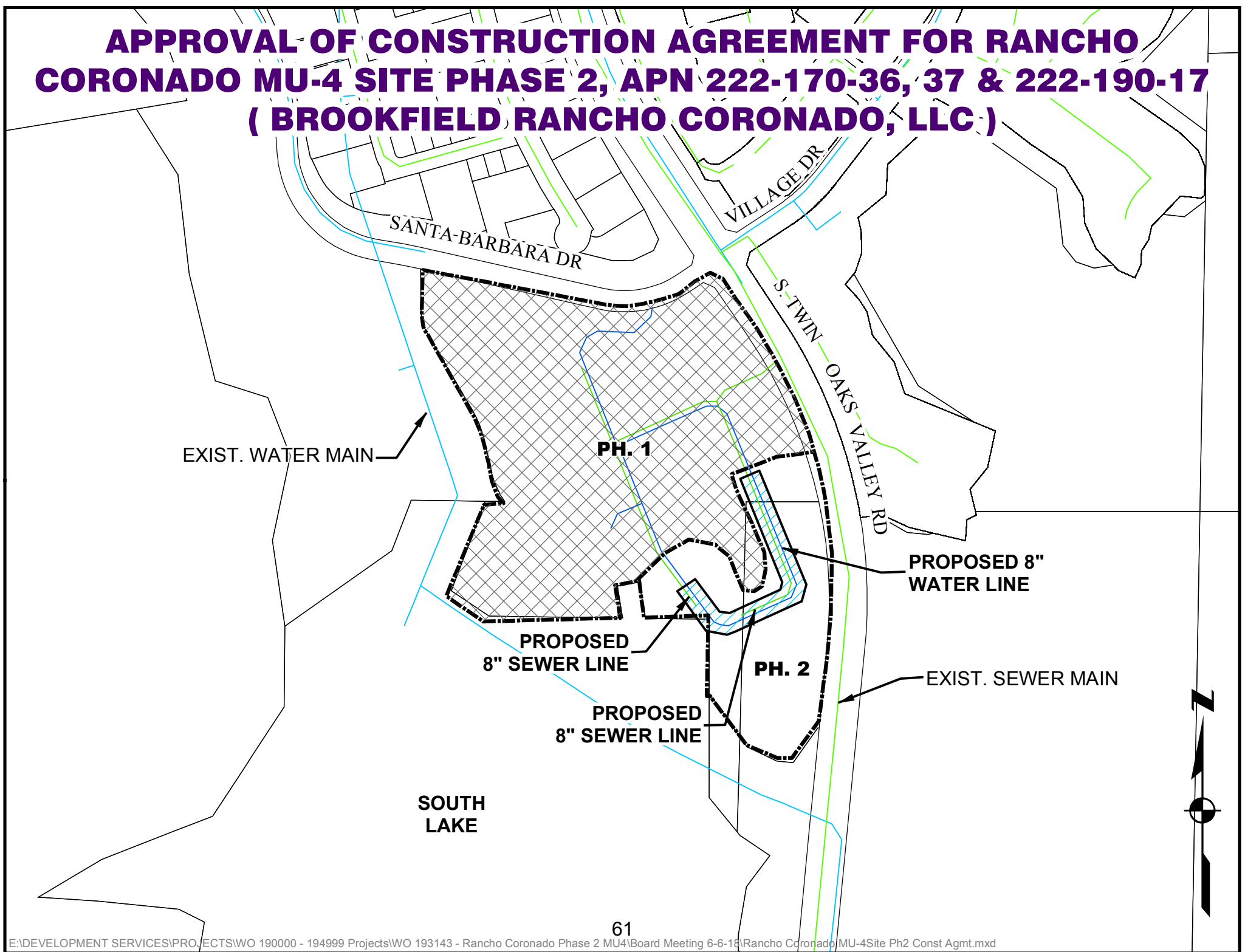
**RECOMMENDATION:**

Approve the construction agreement for Rancho Coronado MU-4 Site Phase 2.

**ATTACHMENTS:**

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

# APPROVAL OF CONSTRUCTION AGREEMENT FOR RANCHO CORONADO MU-4 SITE PHASE 2, APN 222-170-36, 37 & 222-190-17 ( BROOKFIELD RANCHO CORONADO, LLC )









**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 **Brookfield Rancho Coronado, LLC**. (“DEVELOPER”), a Delaware LLC.

**RECITALS**

1. DEVELOPER desires to improve certain real property which lies within the boundaries of the DISTRICT consisting of approximately **4.78** acres commonly described as Tax Assessor's Parcel Nos. **222-170-36, 222-170-37 & 222-190-17** (“PROJECT”).

2. DEVELOPER has requested that DISTRICT provide water and/or sewer service to parts of 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 **Hunsaker & Associates San Diego, Inc.** and are identified as **Rancho Coronado MU-4 Phase 2 Improvements – VWD WO# 193143**. 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 \_\_\_\_\_, 201\_\_\_. 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-erectments, 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.** Upon execution of this Agreement and prior to Board approval, DEVELOPER shall provide the DISTRICT with a payment bond and a performance bond, each in the amount of **\$ 192,343.00**. 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 \$ 18,666.00 to cover all DISTRICT fees and costs associated with the FACILITIES. When this deposit has been drawn down to \$ 1,000.00, 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 \_\_\_\_\_.



**“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: JUNE 6, 2018**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: DISPOSITION OF DISTRICT VEHICLE #9**

**BACKGROUND:**

Within its fleet inventory, the District owns a historic Jeep. The Jeep is listed in the District's records as Vehicle #9, a 1946 "Willys" CJ2A, with a Vehicle Identification Number (VIN) of 53508 and license plate number 69259.

On February 12, 2018, Public Information/Conservation Supervisor Robbins attended a meeting of the Vallecitos Water District's Public Awareness/Personnel/Policy Committee. During that meeting, President Hernandez and Board Member Evans expressed interest in using the District's Jeep for public outreach purposes.

The Jeep is currently in a "mothball status," having previously been driven by former Board Members at community events and parades. The last known "official" usage was during a Christmas Parade seven or eight years ago where it overheated and had to be towed away. The Jeep's cooling system does not function well under very slow speed driving conditions.



Prior to its work as a "parade vehicle," the Jeep was used by staff to reconnoiter the undeveloped hillside behind the District's offices on Vallecitos de Oro, but that work is now done by a safer "gator" type utility vehicle. District staff remember an event when the Jeep lost brake fluid pressure in the master cylinder once while coming down the hillside.

**DISCUSSION:**

**Jeep's Current Status**

Supervisor Robbins spoke at length with District Fleet Maintenance staff about the status of the Jeep. It was last refurbished in 2007--which seems recent--but was 11 years ago. It's currently painted white with the District's VWD logo, but previously was tan in color and labeled under the old "San Marcos County Water District" title. It currently has the following (known) issues:

- it doesn't have seat belts;
- it leaks oil;
- the cooling system overheats at continuous low speed;
- the clutch is considered temperamental;
- the choke is considered unreliable;
- the tubes in the tires may have rotted.

The mechanics believe the Jeep has some unknown issues, such as the overall integrity of the drive train. Mechanics estimate that it could use approximately \$10,000 of maintenance to get it to run properly and be street legal and meet safety standards. There may be liability issues for the District if it is driven without seatbelts and an employee or Board Member is involved in a car accident.

Given the condition of the vehicle, the amount of money it would cost to address maintenance and safety issues, and the fact that the vehicle is not currently being utilized, staff is seeking direction regarding the future of this vehicle.

**Possible Options for Disposition of the Jeep**

- 1) Continue to store the vehicle in its present condition in the District's vehicle maintenance bays.
- 2) Sell the Jeep at auction as surplus property.
- 3) Donate the Jeep to a local non-profit.
- 4) Budget funds to update and provide ongoing maintenance for the Jeep.
- 5) Move the Jeep into the District lobby to serve as an object of historical significance.

**RECOMMENDATION:**

It is recommended that the Jeep be retired from service and moved into the District's lobby as a museum piece. The Jeep has too much market value to donate and too much historic value to sell--yet doesn't have enough worth as a parade vehicle to continue the required ongoing maintenance.

Measurements show there is sufficient clearance to fit the Jeep through the front lobby double doors. The installation in the lobby could be performed on a Saturday for safety reasons. The mechanics would remove items and materials (electrical components and fluids) to make the Jeep clean and safe for display. Signage and information would then be created to tell the story of the District's 1946 "Willys" Jeep.

**DATE: JUNE 6, 2018**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: ADOPT RESOLUTION BY THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT APPROVING ENCINA WASTEWATER AUTHORITY'S FISCAL YEAR 2019 OPERATING AND CAPITAL IMPROVEMENT BUDGET**

**BACKGROUND:**

The Vallecitos Water District is a party to the Encina Joint Powers Basic Agreement, entered into on July 13, 1961, for the acquisition, construction, ownership, operation, and maintenance of the Encina Joint Sewer System. The Encina Basic Agreement requires unanimous approval of the Encina Wastewater Authority (EWA) budget by member agencies prior to the budget becoming effective. The EWA Board will be considering final budget adoption at its meeting scheduled for June 27, 2018.

**DISCUSSION:**

Attached for the Board's information are excerpts from the final EWA recommended budget. The fiscal year ending 2019 budgets of EWA, as unanimously approved by the EWA Board of Directors and the Joint Advisory Committee on April 25, 2018, are approximately \$22.1 million for the total capital budget and \$16.0 million for the total operating budget. The full budget document is available for review at the District office and online at [www.encinajpa.com](http://www.encinajpa.com).

The Proposed Encina Wastewater Authority Operating and Capital Program Budgets total approximately \$38.1 million and are summarized below:

	Actual FY2017	Budget FY2018	Proposed FY2019	% Change
Operating Program	\$ 14,174,321	\$ 15,283,515	\$ 15,974,170	4.5%
Capital Program	\$ 11,475,727	\$ 14,882,012	\$ 22,112,014	48.6%
<b>Combined Program Budgets</b>	<b>\$ 25,650,048</b>	<b>\$ 30,165,527</b>	<b>\$ 38,086,184</b>	<b>26.3%</b>

The amounts shown in the table above are for the entire EWA budget. Vallecitos Water District's share of the EWA budget is dependent upon the demands placed on the EWA facilities and the ownership percentage currently held by the District. Based on those factors, Vallecitos' share of the Proposed 2019 Operating budget is \$2,776,877, which is \$92,940 (3.2%) less than the FY 2018 Operating Budget. Vallecitos' share of the Proposed 2019 Capital Budget is \$4,794,677, which is \$1,559,039 (48.2%) more than the FY 2018 Capital Budget. The primary reason for the large increase in the Capital Budget is the improvements required to augment the solids handling capacity of the plant, notably improvements to Digester Nos. 4, 5 and 6 as well as the transition to a Rotary Drum Thickener process.

**FISCAL IMPACT:**

Vallecitos' share of EWA's Operating and Capital Budgets have been incorporated into the District's budget, which will also be considered on June 6, 2018.

**RECOMMENDATION:**

Staff recommends the Board of Directors of the Vallecitos Water District review and adopt a Resolution approving the Encina Wastewater Authority's Fiscal Year 2019 recommended Operating and Capital Improvement Budgets.

**ATTACHMENT:**

1. Encina Wastewater Authority Letter of Transmittal of FY2019 Recommended Operating & Capital Budgets
2. Resolution No. 1538

Date: April 25, 2018  
 To: Honorable Chair and Members of the Board of Directors  
 Encina Joint Advisory Committee  
 Boards and Councils of the Encina Member Agencies  
 From: Michael Steinlicht, General Manager  
 Subject: Transmittal of FY2019 Recommended Operating & Capital Budgets

This letter transmits the Encina Wastewater Authority’s (EWA) Recommended Fiscal Year 2019 Operating and Capital Budgets. In conformance with the Revised Basic Agreement for Ownership, Operation and Maintenance of the Encina Joint Sewage System, this Recommended Budget estimates both the amount of money required to operate, maintain and administer the Joint System during Fiscal Year 2019; and, the proportionate amount to be paid by each Member Agency.

**OPERATING BUDGET OVERVIEW**

The Recommended FY2019 Operating Budget is comprised of seven (7) operational programs that provide services to the Encina Member Agencies. Each operational program includes direct personnel and non-personnel expenses and related internal service fund (ISF) charges. The Recommended FY2019 Budget reflects management’s strategies and objectives to ensure continued achievement within each of the six (6) Business Principles identified in the Five-Year Strategic Business Plan: Protect Public Health and the Environment; Pursue Waste Resource Recovery Opportunities; Conduct Sound Planning and Invest Appropriately; Remain Efficient, Fiscally Responsible, and Innovative; Provide Meaningful Transparency; and Deliver Exceptional Member Agency Service. The Recommended FY2019 Operating Budget totals approximately \$16 million for the seven (7) operational programs summarized below:

Operating Program	Actual FY2017	Budget FY2018	Recommended FY2019	% Change
Encina Water Pollution Control Facility	\$ 11,272,007	\$ 12,576,318	\$ 12,957,023	3.0%
Environmental Compliance – Source Control	\$ 687,678	\$ 691,268	\$ 753,078	8.9%
Agua Hedionda Pump Station	\$ 297,059	\$ 343,669	\$ 354,017	3.0%
Buena Vista Pump Station	\$ 427,136	\$ 466,226	\$ 514,573	10.4%
Buena Creek Pump Station	\$ 329,876	\$ 356,895	\$ 373,863	4.8%
Carlsbad Water Recycling Facility	\$ 978,967	\$ 1,146,920	\$ 1,338,481	16.7%
Raceway Basin Pump Station	\$ 181,598	\$ 212,219	\$ 238,335	12.3%
<b>Sub-Total: Expenses</b>	<b>\$ 14,174,321</b>	<b>\$ 15,793,515</b>	<b>\$ 16,529,370</b>	<b>4.7%</b>
Estimated Other Operating Revenue	\$ -	\$ (510,000)	\$ (555,200)	8.9%
<b>Total Operating Budget</b>	<b>\$ 14,174,321</b>	<b>\$ 15,283,515</b>	<b>\$ 15,974,170</b>	<b>4.5%</b>

The FY2019 Operating Budget reflects EWA’s continuing commitment to provide sustainable and fiscally responsible wastewater services to the communities it serves while maximizing the use of alternative and renewable resources. The Recommended FY2019 EWPCF Operating Budget includes \$250,000 in contingency funding to help each of the Member Agencies make sufficient appropriations for their share of EWA expenditures as part of their annual budgeting processes.

**CAPITAL BUDGET OVERVIEW**

The Recommended FY2019 Capital Budget totals approximately \$22.1 million for the following EWA capital programs summarized below:

Capital Program	Actual FY2017	Budget FY2018	Recommended FY2019	% Change
EWPCF – Capital Improvements	\$ 8,075,750	\$ 10,973,500	\$ 17,649,000	60.8%
EWPCF – Planned Asset Rehabilitation	\$ 663,346	\$ 736,600	\$ 924,500	25.5%
EWPCF – Capital Acquisitions	\$ 207,360	\$ 303,500	\$ 301,500	-0.7%
Remotes Facilities – Acquisitions & Rehabilitation	\$ 367,422	\$ 466,400	\$ 726,300	55.7%
Allocated Personnel Expenses	\$ 2,161,849	\$ 2,402,012	\$ 2,510,714	4.5%
<b>Total Capital Budget</b>	<b>\$ 11,475,727</b>	<b>\$ 14,882,012</b>	<b>\$ 22,112,014</b>	<b>48.6%</b>

Improvement Projects are planned, scoped, and prioritized through the Comprehensive Asset Management Program (CAMP). The most recent CAMP was published in May 2015 and staff anticipates another update to be completed by May 2018. It considers anticipated changes in regulatory requirements, prospective operational efficiencies, funding availability and other factors.

The Recommended FY2019 Capital Budget includes \$2,510,714 in funding for 13.21 full-time equivalent (FTE) positions. These positions include full and part-time efforts of EWA executives, professionals, managers, and technical staff who plan, direct, and support EWA’s Capital Program.

Significant Capital Improvement Projects recommended for FY2019 funding include: Primary Effluent Pipeline Rehabilitation Phase II (\$3,631,000); Primary Area Improvements (\$3,500,000); Digester Improvements Project (\$3,000,000); Rotary Drum Thickener (\$1,150,000); and the Cogen Engine Overhaul (\$924,000).

EWPCF – Planned Asset Rehabilitation and Replacement (PARR) reflects minor plant rehabilitation efforts undertaken by EWA staff to maintain the \$260 million invested by the Member Agencies in Joint System assets. Recommended PARR Projects total \$924,500. Recommended EWPCF – Capital Acquisitions total \$301,500 and reflect appropriate investment in minor infrastructure, equipment. Recommended Remote Facilities – Acquisitions and Rehabilitation total \$726,300 and reflect appropriate investment in remote facility improvements.

Please join me in recognizing the staff whose efforts produced this document. Joseph Spence, Sr. Management Analyst, led staff efforts in the preparation and development of the FY2019 Recommended Budget with assistance from LeeAnn Warchol, Administrative Services Manager, and third-party quality control review by Financial Management Consultant, Neil Glass. The Executive Leadership Team coordinated the budget development processes within their respective departments. Assistant General Manager, Scott McClelland, made certain our constantly developing ideas were presented clearly, consistently and accurately.

Respectfully Submitted,



Michael Steinlicht  
General Manager

**RESOLUTION NO. 1538**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLECITOS WATER DISTRICT  
APPROVING THE FISCAL YEAR ENDING IN 2019  
OPERATING AND CAPITAL IMPROVEMENT BUDGETS  
OF THE ENCINA WASTEWATER AUTHORITY  
IN ACCORDANCE WITH THE JOINT POWERS BASIC AGREEMENT**

WHEREAS, the Vallecitos Water District is a party to the Encina Joint Powers Basic agreement entered into on July 13, 1961, for the acquisition, construction, ownership, operation, and maintenance of the Encina Joint Sewer System; and

WHEREAS, the Encina Basic Agreement requires approval of the budget of the Encina Wastewater Authority (EWA) by the member agencies following the recommendation of the Joint Advisory Committee (JAC); and

WHEREAS, the JAC thereafter approved the Fiscal Year 2019 budget of the EWA on April 25, 2018; and

WHEREAS, the Board of Directors of the Vallecitos Water District desires to approve said budget and provide for payment of its share of such expenses in accordance with the allocation provided in the Basic Agreement as modified;

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Vallecitos Water District as follows:

SECTION 1: The fiscal year ending in 2019 capital budget of the EWA, as approved by the JAC on April 25, 2018, in the amount of \$22.1 million is hereby approved.

SECTION 2: The fiscal year ending in 2019 operating revenue and expense budget of the EWA, as approved by the JAC on April 25, 2018, in the amount of \$16.0 million is hereby approved.

SECTION 3: The Vallecitos Water District General Manager is hereby authorized to make payments on behalf of this agency to EWA in accordance with the budget, as approved by the JAC, and in accordance with the Encina Basic Agreement.

SECTION 4: A certified copy of this resolution shall be forwarded to EWA immediately upon its approval.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Vallecitos Water District at a regular meeting held on the 6<sup>th</sup> day of June, 2018, by the following roll call vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST:

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Hal J. Martin, Vice President  
Board of Directors  
Vallecitos Water District

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Glenn Pruum, Secretary  
Board of Directors  
Vallecitos Water District



**DATE: JUNE 6, 2018**  
**TO: BOARD OF DIRECTORS**  
**SUBJECT: VALLECITOS WATER DISTRICT RECOMMENDED FISCAL YEAR 2018/2019 BUDGET**

**BACKGROUND:**

The Board has conducted one workshop on the budget on May 21, 2018. The Finance Committee also met to discuss the budget at four meetings between February 26, 2018 and April 25, 2018. At each Committee meeting and Board workshop, the budget, or parts thereof, were reviewed and input from the Board and Committee members received. The input received has been incorporated into the recommended budget being presented today.

**DISCUSSION:**

The Recommended Fiscal Year 2018/2019 Vallecitos Water District Budget, provided under separate cover, has been prepared by staff and is presented to the Board of Directors for consideration and approval.

The budget totals \$201.7 million, comprised of \$57.0 million of FY 2018/19 operational expenses and a commitment of \$144.7 million for capital items and projects over the next five years. In addition, \$9.1 million from operations is being set aside for capital replacement.

The budget for FY 2018/19, exclusive of capital items and projects for fiscal year 2019/20 and beyond, consists of operational commitments of \$57.0 million. This is made up of \$32.2 in water purchases, \$11.7 in water operating expenses, and \$13.1 million in wastewater operating expenses. Capital items and projects for fiscal year 2018/19 alone are \$17.1 million for projects and \$0.8 million for easements, vehicles, and equipment. Capital items and projects are funded through operating transfers set aside for capital replacement and other reserve sources. Reserves also fund debt service payments. Budgeted debt service payments for fiscal year 2018/19 are \$5.4 million. The total FY 2018/19 budget is \$80.3 million.

The recommended budget has been posted on the District website ([www.vwd.org](http://www.vwd.org)) for public review.

**RECOMMENDATION:**

Staff recommends approval of the Vallecitos Water District Recommended 2018/2019 Budget.



# The New Basics



## 63<sup>rd</sup> ANNUAL CONFERENCE August 8-10, 2018 Monterey Marriott

WWW.CASAWEB.ORG

### Preliminary Program

#### Wednesday, August 8, 2018

- 8:00 - 5:00 p.m.      *Registration | San Carlos Foyer*
- 8:00 – 12:00 p.m.      *CSRMA Training Seminar | San Carlos 1-2*
- 11:00 – 1:00 p.m.      *Communications Meeting | Santa Barbara Room*
- 11:30 – 1:30 p.m.      *CASA Board of Directors Meeting | Ferrantes Bayview, top floor*
- 12:00 – 1:30 p.m.      *Associates Committee Meeting | TBD*
- 12:00 – 1:30 p.m.      **Lunch on your own**
- 2:00 – 4:00 p.m.      *Concurrent Sessions*
- Track 1 – Regulatory Work Group Air/Land/Water Meetings? | San Carlos 1-2*
- Track 2 – Global Water Challenges Opportunities | San Carlos 3-4*
- *Water Around the World – Ed McCormick*
  - *National Water Project/issues*
  - *CA water issue/project*
- TOUR: Carmel Area Wastewater District*
- 4:15 - 5:15 p.m.      *CSRMA Executive Board Meeting | Santa Monica Room*
- 4:15 – 5:15 p.m.      *Federal Legislative Committee Meeting | San Carlos 1-2*
- 5:30 – 6:30 p.m.      *Ocean View Reception | Ferrantes Ballroom, top floor*

#### Thursday, August 9, 2018

- 7:30 – 4:30 p.m.      *Registration*
- 7:30 - 9:00 a.m.      *CSRMA Board of Directors Breakfast Meeting*
- 7:45 – 9:00 a.m.      *Utility Leadership Committee*

Thursday, August 9<sup>th</sup> continued

- 9:00 – 11:30 a.m.      *Morning Sessions & Business Session*
- Keynote: Chad Pregracke, Founder and President, Living Lands and Waters*  
                                 *“From the Bottom Up”*
- USEPA Assistant Administrator David Ross (invited)*
- Speeding up Innovation in the Wastewater Sector, Andrew Benedek, Aenergia*
- Annual Business Meeting*
- *Dues Resolution*
  - *Introduction of the Board of Directors Slate*
  - *Fiscal Year 2019 Budget*
- 12:00 – 1:30 p.m.      *Luncheon at the Convention Center*
- Congressman Jimmy Panetta (invited)*
- 2:00 – 4:30 p.m.      *Afternoon Sessions*
- Cybersecurity – Tips, Breaches, Risks and Awareness: Christine Riccardi,*  
                                 *Office of Infrastructure Protection, U.S. Department of Homeland Security*
- Social Media Trends and Best Practices*
- City of Ventura Potable Reuse Project—Kevin Brown, General Manager*
- 2018 Award of Excellence Winners*
- 2018 Education Foundation Scholarship Recipients Announcement*
- 4:15 – 5:30 p.m.      *Bay Area Biosolids Coalition Meeting*
- 5:30 – 6:30 p.m.      *Conference Reception | Ferrantes Ballroom, top floor*

**Friday August 10, 2018**

- 8:00 – 11:00 a.m.      *Registration*
- 8:00 – 9:30 a.m.      *Breakfast*
- 8:00 – 9:00 a.m.      *State Legislative Committee Meeting*
- 9:00 – 11:00 a.m.      *Closing Session*
- State and Federal Legislative Reports*
- How will the 2018 Mid-Term Elections Change the Landscape? TBD*
- Introduction of the New CASA Board of Directors*
- Passing of the Gavel and Closing Remarks*
- 11:00 – 3:00 p.m.      *Attorneys Committee Meeting | Ferrantes Ballroom, top floor*



## “Making Water Fun Again!”

Urban Water Institute’s 25<sup>th</sup> Annual Water Conference | | August 22-24, 2018

### Wednesday, August 22, 2018: Resiliency and Uncertainty

**12:00 p.m. - Registration, Networking & Exhibits (Sorrento Ballroom)**

**1:00 p.m. - Opening Remarks & Introduction**  
Greg Quist, Chairman, Urban Water Institute

**1:15 p.m. - Welcome to San Diego**  
Mayor Kevin Faulconer, City of San Diego

**1:30 p.m. - Cape Town South Africa Case Study**  
Jay Famiglietti, Senior Water Scientist, NASA  
Interviewer: Rita Schmidt Sudman, Author & Senior Advisor, Water Education Foundation

**2:15 p.m. - Drought Contingency Planning**  
Dr. Eric Reichard, Interstate Director, United States Geological Survey  
Amanda Sheffield, Ph.D., National Oceanic and Atmospheric Administration (NOAA)  
Art Hinojosa, Division Chief, Integrated Regional Water Mgmt. CA Dept. of Water Resource  
Robb Whitaker, General Manager, Water Replenishment District  
Moderator: Jack Simes, Planning Officer, U.S. Bureau of Reclamation

**3:30 p.m. - Networking Break**

**3:45 p.m. - Water Fix, Who’s in the Mix**  
Steve Blois, Director, Secretary Metropolitan Water District Board  
Jennifer Pierre, General Manager, State Water Contractors (*Invited*)  
Bill Diedrich, Board President, San Luis Water District (*Invited*)  
Moderator: Larry Dick, Board Director, Municipal Water District of Orange County

**4:45 pm - Adjourn**

**5:00 p.m. - Chairman’s Reception**



**Thursday, August 23, 2018: Adaptation and Strategy**

**8:00 a.m. - Registration, Networking & Exhibits**

**8:30 a.m. - Opening Remarks/Get to know your Exhibitors**

Ane Deister, Executive Director, Urban Water Institute

**8:45 a.m. - Alternative Delivery Projects**

Neil Callahan, Director, Louis Berger US

Shivaji Deshmukh, Assistant General Manager, West Basin Municipal Water District

Moderator: Bob Siemak, President, RCSiemak Consultants

**9:30 a.m. - Press and Media**

Adam Probolsky, CEO, Probolsky Research *(Invited)*

Ry Reivard, Voice of San Diego *(Invited)*

Tony Perry, Former Bureau Chief for The LA Times *(Invited)*

Jennifer Bolts, Executive Director, Water Education Foundation *(Invited)*

Moderator: Rita Schmidt Sudman, Author & Senior Advisor, Water Education Foundation

**10:30 a.m. - Property Right or Human Right**

Moderator: Chris Frahm, Shareholder, Brownstein Hyatt Farber Schreck

**11:30 a.m. - Business Strategic Plan for Water**

Charlie Arnold, Stone Brewery

South Coast Plaza Representative *(Invited)*

Winery Representative *(Invited)*

Moderator: Greg Quist, Chairman, Urban Water Institute

**12:30 p.m. - Luncheon**

**1:30 p.m. - Innovations Self-Assessment Tool**

Ed Means, President, Means Consulting, LLC

**2:30 p.m. - Energy Use in The Water Sector**

**TBD**

**3:30 p.m. - Networking Break**

**3:45 p.m. Water Bond Panel**

Honorable John Laird, Former Assemblyman, CA 27<sup>th</sup> District *(Invited)*

Gerry Meral, Director, California Water Program, Natural Heritage Institute *(Invited)*

Ellen Hanak, Director, Public Policy Institute of CA *(Invited)*

Jeff Mount, Professor Emeritus, UC Davis *(Invited)*

Moderator: Rita Schmidt Sudman, Author & Senior Advisor, Water Education Foundation

**5:00 p.m. - Chairman's Reception**

**Friday, August 24, 2018: Policies and Politics**

**8:00 a.m. - Registration, Networking & Exhibits**

**8:30 a.m. - Opening Remarks**

Ane Deister, Executive Director, Urban Water Institute

**8:35 a.m. – Keynote Speaker**

Commissioner Brenda Burman, Bureau of Reclamation (*Invited*)

**9:45 a.m. - Bay Area Water ReUse**

Steven Moore, Vice Chair, Water Resources Control Board

David Seviak, Water 4.0, UC Berkeley

Moderator: Rich Nagel, Vice President, CH2M

**10:45 a.m. - United Front: Can Southern California Unite Around Water Policy:**

***Game Show Theme***

South Team vs North Team (TBD)

Moderator: Greg Quist, Chairman, Urban Water Institute

**12:00 p.m. - Chairman's Raffle**

**Conference Adjourns**