

AGENDA FOR THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, JANUARY 18, 2006, AT 4:00 P.M. AT THE DISTRICT OFFICE,  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER - PRESIDENT DAVY

PLEDGE OF ALLEGIANCE – DIRECTOR HANNAN

ROLL CALL

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

ADOPT AGENDA FOR THE REGULAR MEETING OF JANUARY 18, 2006

ORAL COMMUNICATIONS

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.

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. 1-16)

- A. ENGINEERING/EQUIPMENT COMMITTEE MEETING – JANUARY 3, 2006
- B. REGULAR BOARD MEETING – JANUARY 4, 2006
- C. SPECIAL BOARD WORKSHOP MEETING – JANUARY 6, 2006

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

**Recommendation: Approve minutes**

1.2 WARRANT LIST THROUGH JANUARY 18, 2006 - \$753,811.04 (pp. 17-20)

**Recommendation: Approve warrant list**

1.3 FINANCIAL REPORTS (pp. 21-30)

- A. APPROPRIATED FUND BALANCE ACTIVITY – DECEMBER 2005

- B. INVESTMENT REPORT – DECEMBER 2005
- C. WATER METER COUNT – DECEMBER 31, 2005
- D. WATER PRODUCTION/SALES REPORT – DECEMBER 2005
- E. WATER/SEWER EXPENSE & REVENUE REPORT – DECEMBER 31, 2005

**Recommendation: Approve financial reports**

- 1.4 FINAL ACCEPTANCE OF SAN MARCOS TRACT NO. 419 (VISTANCIA, LLC)  
(pp. 31-34)

*The project is located on the north end of Liberty Drive, north of Richmar Avenue and Mission Road and will serve water and sewer to 39 single-family homes.*

**Recommendation: Accept San Marcos Tract No. 419 (Vistancia, LLC) project**

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

ACTION ITEMS

- 2.1 REQUEST FOR ANNEXATION OF CERTAIN PROPERTY DESIGNATED AS THE  
“HASKELL ANNEXATION” APN: 228-030-29 INTO SEWER IMPROVEMENT  
DISTRICTS 5 & 6 FOR SEWER SERVICE (HASKELL) (pp. 35-38)

*The property is located at the southeast intersection of Nordahl Road and Rock Springs Road.*

**Recommendation: Approve the annexation of certain property designated as the “Haskell Annexation” APN: 228-030-29 into Sewer Improvement Districts 5 & 6 for sewer service with conditions**

- 2.2 REQUEST FOR ANNEXATION OF CERTAIN PROPERTY DESIGNATED AS THE  
“MCDONALD ANNEXATION” APN: 226-320-45 INTO SEWER IMPROVEMENT  
DISTRICTS 1, 2, 6 & “A” FOR SEWER SERVICE ONLY (MCDONALD) (pp. 39-42)

*The property is located on Via Paloma, east of Nordahl Road and south of Borden Road.*

**Recommendation: Approve the annexation of certain property designated as the “McDonald Annexation” APN: 226-320-45 into Sewer Improvement Districts 1, 2, 6 & “A” for sewer service only with conditions**

- 2.3 REQUEST FOR ANNEXATION OF CERTAIN PROPERTY DESIGNATED AS THE  
“VANEGMOND ANNEXATION” APN: 228-010-03 INTO SEWER IMPROVEMENT  
DISTRICTS 5, 6 & “A” FOR SEWER SERVICE ONLY (VANEGMOND) (pp. 43-46)

*The property is located on the north side of Rock Springs Road and east of Nordahl*

Road.

**Recommendation:**            **Approve the annexation of certain property designated as the "Vanegmond Annexation" APN: 228-010-03 into Sewer Improvement Districts 5, 6 & "A" for sewer service only with conditions**

2.4    APPROVAL OF CONSTRUCTION AGREEMENT FOR HIGH POINT COUNTRY MANOR TRACT NO. 683-J (CAPSTONE 500, LLC) (pp. 47-50)

*The project is located on Woodland Heights Glen adjacent to Mesa Rock Road and will provide water service to 40 single-family homes and sewer service to 4 of the 40 homes. The remaining 36 properties will be on private septic systems.*

**Recommendation:**            **Approve the construction agreement for High Point Country Manor Tract No. 683-J (Capstone 500, LLC)**

2.5    RESCHEDULE BOARD MEETING OF MARCH 1, 2006, DUE TO AN ANTICIPATED LACK OF QUORUM (pp. 51-52)

*Due to Board attendance at an ACWA and WEF conference, the March 1, 2006, Board meeting needs to be rescheduled.*

**Recommendation:**            **Approve rescheduling the March 1, 2006, Board meeting to March 6, 2006**

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

#### REPORTS

3.1    GENERAL MANAGER

3.2    DISTRICT COUNSEL

3.3    ASSISTANT GENERAL MANAGER - FINANCE AND RESOURCES

3.4    DIRECTOR OF ENGINEERING AND OPERATIONS (pp. 53-56)

3.5    SAN DIEGO COUNTY WATER AUTHORITY

3.6    ENCINA WASTEWATER AUTHORITY

3.7    ACWA/REGION 10

3.8    MINUTES – *Council of Water Utilities - December 20, 2005* (pp. 57-60)

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

## OTHER BUSINESS

### 4.1 MEETINGS (pp. 61-82)

#### **Council of Water Utilities** (pp. 61-62)

January 17, 2006; StoneRidge Country Club, Poway, CA

#### **Urban Water Conference: New Water and the Role of Power** (pp. 63-68)

January 29-31, 2006; Hilton Resort Hotel, Huntington Beach, CA

#### **CSDA Alliance – Staying in Compliance** (pp. 69-70)

February 2-3, 2006; Foleta Valley Community Center, Goleta, CA

December 14-15, 2006; Lake Natoma Inn, Folsom CA

#### **CSDA New Board Member Training** (pp. 71-74)

February 9-10, 2006; Lake Natoma Inn, Folsom, CA

February 16-17, 2006; Quality Inn Green Tree, Victorville, CA

#### **CSDA San Diego Chapter Quarterly Meeting** (pp. 75-78)

February 16, 2006; DoubleTree Club Hotel, San Diego CA

#### **WESTCAS Winter Conference** (pp. 79-82)

February 21-24, 2006; Marriott Denver City, Denver, CO

### 5.1 DIRECTORS COMMENTS/QUESTIONS REQUESTING FUTURE BOARD REVIEW/ACTION, COMMITTEE WORK OR STAFF REPORTS

### 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. 261 at least 48 hours prior to the meeting.
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## AFFIDAVIT OF POSTING

I, Nancy McMullen, 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 3:00 p.m., Friday, January 13, 2006.

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Nancy McMullen

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, JANUARY 18, 2006, AT 4:00 PM AT THE DISTRICT OFFICE,  
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

President Davy called the regular meeting to order at the hour of 4:00 pm.

Director Hannan led the pledge of allegiance.

Present: Director Davy  
Director Ferguson  
Director Gentry  
Director Hannan  
Director Shell

Staff Present: General Manager Rucker  
Assistant General Manager Mason  
Director of Engineering and Operations Lamb  
Legal Counsel Scott  
Director of Human Resources Caudle  
Director of Resources Freestone  
Director of Finance Scaglione  
Operations and Maintenance Manager Arrant  
Engineering Manager Gerdes  
Regulatory Affairs Specialist Janus  
Engineering Supervisor Brandstrom  
Capital Facility/Construction Engineer Gumpel  
Public Information Representative Webb  
Executive Secretary McMullen  
Administrative Secretary Covill

ADOPT AGENDA FOR THE REGULAR MEETING OF JANUARY 18, 2006

06-01-04 MOTION WAS MADE by Director Gentry, seconded by Director Shell, and carried unanimously, to adopt the agenda for the Regular Meeting of January 18, 2006, as presented.

ORAL COMMUNICATIONS

No members of the public wished to address the Board regarding topics not on the agenda.

CONSENT CALENDAR

06-01-05 MOTION WAS MADE by Director Hannan, seconded by Director Shell, and carried unanimously, to approve the Consent Calendar as presented:

- 1.1 Approval of Minutes
  - A. Engineering/Equipment Committee Meeting – January 3, 2006
  - B. Regular Board Meeting – January 4, 2006

- C. Special Board Workshop Meeting – January 6, 2006
- 1.2 Warrant List through January 18, 2006 - \$753,811.04
- 1.3 Financial Reports
  - A. Appropriated Fund Balance Activity – December 2005
  - B. Investment Report – December 2005
  - C. Water Meter Count – December 31, 2005
  - D. Water Production/Sales Report – December 2005
  - E. Water/Sewer Expense & Revenue Report – December 31, 2005
- 1.4 Final Acceptance Of San Marcos Tract No. 419 (Vistancia, LLC)

### ACTION ITEMS

Director Gentry indicated that due to a possible conflict, he would have to recuse himself from Items 2.1, 2.2 and 2.3 and not participate in the discussions or voting of these items. Director Gentry then left the room while the items were discussed.

### REQUEST FOR ANNEXATION OF CERTAIN PROPERTY DESIGNATED AS THE "HASKELL ANNEXATION" APN: 228-030-29 INTO SEWER IMPROVEMENT DISTRICTS 5 & 6 FOR SEWER SERVICE (HASKELL)

General Manager Rucker reported that Rick Haskell has requested annexation into Sewer Improvement Districts 5 & 6 for sewer service. The property is located at the southeast intersection of Nordahl Road and Rock Springs Road within the District service area. The property is one of several properties that are currently receiving water service through temporary exchange agreements with Vista Irrigation District (VID). VID has water facilities in Nordahl Road. The District does not have water facilities in Nordahl Road between Rock Springs Road and Calavo Drive; however, there are District facilities in Rock Springs Road adjacent to Mr. Haskell's property that are available for service. District sewer facilities are currently existing at the intersection of Nordahl Road (northern portion) and the western portion of Rock Springs Road. A new sewer main extension at the eastern portion of Rock Springs Road is currently under construction adjacent to Mr. Haskell's property.

General Manager Rucker stated that Mr. Haskell's property is subject to a reimbursement agreement with a property owner who is in the process of installing the sewer main. The reimbursement amount is approximately \$6,000 based on the engineer's cost estimate of the sewer main extension. Upon completion of the project, a new reimbursement spread will be calculated based on the actual cost of the sewer main extension. The property owner is aware that the final reimbursement may be substantially higher. Historically, the area's septic systems are relatively old and are prone to failures. Although this is not the case at this time, the owners would like to connect to a public sewer system.

The request for annexation was presented to the Engineering/Equipment Committee meeting on January 3, 2006, for discussion and the Committee recommended the Board consider approval of the request for sewer annexation and rescind the current exchange agreement with VID at the next available Board meeting.

06-01-06 MOTION WAS MADE by Director Ferguson, seconded by Director Hannan, with Director Gentry recused, and carried unanimously, to approve the annexation of certain property designated as the "Haskell Annexation" APN: 228-030-29 into Sewer Improvement Districts 5 & 6 for sewer service with the following conditions:

1. Annexation into Sewer Improvement Districts 5 & 6 for sewer service. (Sewer annexation = \$1,353.27, State Board of Equalization fee = \$300, Administration fee = \$300).
2. Submit copy of title reports with metes and bounds legal description of the subject property to be annexed including tract maps and traverse calculations, if applicable.
3. No connection to any sewer mains will be allowed until completion of the annexation, payment of annexation fees, payment of sewer capital facilities fees (\$4,049), completion of sewer facilities required for the project, payment of sewer reimbursement and payment of all current fees and charges.
4. Completion of annexation within 90 days of initial Board approval.
5. Relinquish VID water service, apply for new water service from the District and cancel Exchange Agreement with VID.

REQUEST FOR ANNEXATION OF CERTAIN PROPERTY DESIGNATED AS THE "MCDONALD ANNEXATION" APN: 226-320-45 INTO SEWER IMPROVEMENT DISTRICTS 1, 2, 6 & "A" FOR SEWER SERVICE ONLY (MCDONALD)

General Manager Rucker reported that Mr. McDonald has requested annexation into Sewer Improvement Districts 1, 2, 6 & "A" for sewer service only. The property is located on Via Paloma, east of Nordahl Road and south of El Norte Parkway within the VID service area. The property is currently within the Sphere of Influence of the District as adopted by LAFCO and will not require a sphere amendment. District sewer facilities are currently available in Nordahl Road approximately 500 feet south of the property. These sewer facilities have to be extended and fronting the property prior to sewer service being available. Historically, the area's septic systems are relatively old and are prone to failures. Although this is not the case at this time, the owner would like to connect to a public sewer system.

The request for annexation was presented to the Engineering/Equipment Committee at the meeting on January 3, 2006, for discussion and the Committee recommended the Board consider approving the request for sewer only annexation at the next available Board meeting.

06-01-07 MOTION WAS MADE by Director Hannan, seconded by Director Shell, with Director Gentry recused, and carried unanimously, to approve the annexation of certain property designated as the "McDonald Annexation" APN: 226-320-45 into Sewer Improvement Districts 1, 2, 6 & "A" for sewer service only with the following conditions:

- A. Annexation into Sewer Improvement Districts 1, 2, 6 & "A" for sewer service only.
- B. Payment of sewer annexation fee of \$2,653.47/ac; at 0.49 acre the fee is \$1,300.20. Payment of State Board of Equalization fee of \$300.

- C. Initiate annexation proceedings with the LAFCO within 90 days of initial Board approval. Check with LAFCO for their fees. (619-531-5400)
- D. Submit copy of title report with metes and bounds legal description of the subject property to be annexed including tract maps and traverse calculations if applicable.
- E. No construction of or connection to any sewer mains will be allowed until completion of the annexation, completion of LAFCO proceedings, payment of annexation fees, payment of sewer capital facilities fees, and payment of all current fees and charges.
- F. Completion of annexation within one year of initial Board approval.

REQUEST FOR ANNEXATION OF CERTAIN PROPERTY DESIGNATED AS THE "VANEGMOND ANNEXATION" APN: 228-010-03 INTO SEWER IMPROVEMENT DISTRICTS 5, 6 & "A" FOR SEWER SERVICE ONLY (VANEGMOND)

General Manager Rucker reported that Helprig and Catharina Vanegmond have requested annexation into Sewer Improvement Districts 5, 6 & "A" for sewer service only. The property is located on the north side of Rock Springs Road and east of Nordahl Road. The property is currently within the boundaries of the VID, with an existing water service from VID facilities located adjacent to the property in Rock Springs Road. District water facilities are also located adjacent to the property in Rock Springs Road and are available for service however, based on various approved sewer annexations of areas north of Rock Springs Road, sewer service is generally provided by the District and water service provided by VID. Currently, it is not practical for the District to read a single water meter on Rock Springs Road. Monthly sewer charges are billed through the property owner's property tax bill.

General Manager Rucker stated the property is also subject to a reimbursement agreement with a property owner who is in the process of installing a sewer main extension adjacent to the property in Rock Springs Road. The reimbursement amount is approximately \$6,000 based on the engineer's cost estimate of the sewer main extension. The sewer main project is currently under construction. Upon completion of the project, a new reimbursement spread will be calculated based on the actual cost of the sewer main installation. The owners are aware that the final reimbursement may be substantially higher. Historically, the area's septic systems are relatively old and are prone to failures. Although this is not the case at this time, the owners would like to connect to a public sewer system.

The request for annexation was presented to the Engineering/Equipment Committee at the meeting on January 3, 2006, for discussion and the Committee recommended the Board consider approval of the request for sewer only annexation.

06-01-08 MOTION WAS MADE by Director Shell, seconded by Director Hannan, with Director Gentry recused, and carried unanimously, to approve the annexation of certain property designated as the "Vanegmond Annexation" APN: 228-010-03 into Sewer Improvement Districts 5, 6 & "A" for sewer service only with the following conditions:

- 1. Annexation into VWD Sewer Improvement Districts 5, 6 & "A" for sewer service only. (Sewer annexation = \$2,520.80, State Board of Equalization fee = \$300, Administration fee = \$300).

2. Initiate annexation proceedings with LAFCO within 90 days of initial Board approval. Contact LAFCO San Diego office. (619-531-5400)
3. Submit copy of title report with metes and bounds legal description of the subject property to be annexed including tract maps and traverse calculations if applicable.
4. No construction of or connection to any sewer mains will be allowed until completion of the annexation and completion of LAFCO proceedings, payment of annexation fees, payment of sewer capital facilities fees (\$4,049), payment of reimbursement and payment of all current fees and charges.
5. Completion of annexation within one year of initial Board approval.

Director Gentry returned to the Board meeting.

APPROVAL OF CONSTRUCTION AGREEMENT FOR HIGH POINT COUNTRY MANOR TRACT NO. 683-J (CAPSTONE 500, LLC)

General Manager Rucker reported that Capstone Escondido 500, LLC has completed the plan check process with the District. The project is located on Woodland Heights Glen north of the Palos Vista development and adjacent to Mesa Rock Road. The proposed subdivision is comprised of approximately 338 acres located within the Palos Vista Pressure Zone with a maximum service elevation of 1,400 feet. Due to maximum service elevation constraints, it does not appear that the District can provide adequate water pressure to areas above the 1,400-foot elevation. Installation of individual private pneumatic water pumps will be required on some of the lots, which will be the responsibility of the homeowner to maintain. The District requires 40 psi minimum static pressure at the water meter. The facilities that are being installed will provide water service to 40 single-family homes and sewer service to four of the 40 homes. The remaining 36 properties will be on private septic systems. All inspection fees have been paid in accordance with District policy and the developer has provided the District with standard surety bonds to guarantee completion of the project.

General Manager Rucker stated that this project has been in process since the mid-1980s, and since the inception of the project, the fire flow requirements have changed. Due to the changed fire flow, the developer has agreed to install a private irrigation tank (200,000 gallons), which will be used to meet the new fire flow requirements.

The construction agreement was presented to the Engineering/Equipment Committee meeting on January 17, 2006, for discussion and the Committee recommended the Board consider approval of the construction agreement with the condition that the Developer must place on the title paperwork that the individual homeowner is responsible for the maintenance of the pneumatic water pumps.

06-01-09 MOTION WAS MADE by Director Shell, seconded by Director Hannan, and carried unanimously, to approve the construction agreement for High Point Country Manor Tract No. 683-J (Capstone LLC) with the condition that the Developer must place on the title paperwork that the individual homeowner is responsible for the maintenance of the pneumatic water pumps.

## RESCHEDULE BOARD MEETING OF MARCH 1, 2006, DUE TO AN ANTICIPATED LACK OF QUORUM

General Manager Rucker reported that due to the attendance of Director Ferguson and Director Gentry at the ACWA Washington, D. C. Conference (February 28 – March 2, 2006) and Director Davy at the WEF Tour: US/Mexican Border (March 1 – March 3, 2006) a lack of a quorum for the Wednesday, March 1, 2006, Board meeting is anticipated. Staff recommends the Board consider moving the Board meeting of Wednesday, March 1, 2006, to Monday, March 6, 2006, at 4:00 pm.

06-01-10 MOTION WAS MADE by Director Ferguson, seconded by Director Hannan, and carried unanimously, to approve rescheduling the March 1, 2006, Board meeting to March 6, 2006.

## REPORTS

### GENERAL MANAGER

General Manager Rucker called for a Public Awareness/Personnel/Policy meeting, which was scheduled for Monday, January 23, 2006, at 4:00 pm.

General Manager Rucker reported that there are currently five bills and one initiative on the legislative floor that staff will keep an eye on related to the Caves Initiative/Governor's Bond.

General Manager Rucker stated that the weather forecast calls for anticipated cool and damp conditions during the 11-day SDCWA aqueduct shutdown.

### DISTRICT COUNSEL

Legal Counsel Scott reported on two recent Attorney General Opinions, which found that public officials could not be reimbursed for meals purchased for third parties at a meeting to discuss matters of benefit to the agency. In addition, the agenda of a City Council may be posted on a touch-screen kiosk instead of on a bulletin board. Legal Counsel Scott also reported on new bills of interest, which will be discussed later this week at the CASA conference.

Legal Counsel Scott stated that the Board does not need to hurry to take Ethics Training. The Board is not required to have completed the training until December 31, 2006, and SDCWA is attempting to put together free training for the member agencies.

### ASSISTANT GENERAL MANAGER - FINANCE AND RESOURCES

Assistant General Manager Mason reported that the current interest rate for District investments is 2.7 percent.

Assistant General Manager Mason distributed the latest Draft Urban Water Management Plan to the Board.

Assistant General Manager Mason reported that 90 percent of businesses have had virus attacks on their computer systems.

Assistant General Manager Mason stated that the District-wide email would be down from Thursday, January 19, 2006, through Friday, January 20, 2006.

Assistant General Manager Mason reported that the District staff has sent outreach information on the upcoming shutdown to landscaping and irrigating companies.

Assistant General Manager Mason reported the SDCWA aqueduct shutdown has been moved, and will now begin on Sunday, February 5, 2006.

#### DIRECTOR OF ENGINEERING AND OPERATIONS

Director of Engineering and Operations Lamb presented a slide show depicting the current construction status of Meadowlark Treatment Plant Expansion and the North Twin Oaks Tank project.

#### SAN DIEGO COUNTY WATER AUTHORITY

No report.

#### ENCINA WASTEWATER AUTHORITY

No report.

#### ACWA REGION 10

Director Ferguson reported on the ACWA Region 10 Board Meeting held on Monday, January 9, 2006. Director Ferguson's report included items related to bond proposals and the Chair and Vice Chair assignments.

#### OTHER BUSINESS

None.

#### DIRECTORS REPORTS ON TRAVEL/CONFERENCES/SEMINARS ATTENDED, COMMENTS/QUESTIONS REQUESTING FUTURE BOARD REVIEW/ACTION, COMMITTEE WORK OR STAFF REPORTS

Director Gentry reported on the Council of Water Utilities Breakfast held on Tuesday, January 17, 2006. Director Gentry's report included a brief description of the presentation by Gary Klein with the Energy Commission on the relationship between power and water. He also stated it would be a beneficial presentation for the District Board to hear. The Board directed staff to research a presentation from Mr. Klein.

Director Hannan extended an invitation to the Board to attend the Kiwanis meeting of Friday, January 27, 2006, at 7:00 am, as the District's Water Conservation Specialist McIntosh will be the guest speaker.

## ADJOURNMENT

There being no further business to discuss, President Davy adjourned the meeting at the hour of 4:39 pm.

A Regular Meeting of the Vallecitos Water District Board of Directors has been scheduled for Wednesday, February 1, 2006, at 4:00 p.m. at the District office, 201 Vallecitos de Oro, San Marcos, California.

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Paul A. Davy, President  
Board of Directors  
Vallecitos Water District

ATTEST:

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William W. Rucker, Secretary  
Board of Directors  
Vallecitos Water District