

VALLEY CENTER MUNICIPAL WATER DISTRICT

Regular Board Meeting
Tuesday, February 16, 2016
Time: 2:00 P.M.
Place: Board Room
29300 Valley Center Road
Valley Center, CA 92082

The Valley Center Municipal Water District Board of Directors' meeting was called to order by President Broomell at 2:00 P.M.

ROLL CALL

Board members present were: Directors Broomell, Polito, Aleshire and Haskell. Staff members present were: General Manager Arant, General Counsel de Sousa Mills, District Engineer Grabbe, Director of Operations Hoyle, Finance Director Pugh, IT Director Pilve, Accounting Manager Velasquez and Executive Assistant Johnson. Spectators present were Ken Weinberg and Bill Jacoby – Weinberg Water Resources Consulting, Lori Johnson and Bill Knutson – Yuima MWD, Tom Kennedy – Rainbow MWD, Eric Larson – S.D. Co. Farm Bureau, Judy Dobrotin – VC Democratic Club, Jacqueline Howells – HGR, David Ross – Roadrunner Newspaper and residents Malcolm Matheson, Cor Shaffer and Enrico Ferro.

AUDIENCE COMMENTS

Valley Center Democratic Club President, Judy Dobrotin, invited the Board Members to participate in a Bipartisan Event on March 21st at the Valley Center Library to provide information to residents on the requirements and what it is like to be on the Board. The Planning Group, Fire Protection District and School District are also being asked to participate.

CONSENT CALENDAR

1. Upon motion by Aleshire, seconded by Haskell and unanimously carried, the following consent calendar items were approved:

- Minutes of the Board meeting held January 19, 2016
- Audit demand check numbers 142761 through 143133 for January 8, 2016 through February 4, 2016 and wire disbursements for January 2016
- Treasurer's Report for month ending December 31, 2015
- Board of Directors' request for reimbursement of expenses and report of expenses

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PUBLIC HEARING

2. Public Hearing to Adopt the 2016 San Diego Regional Agricultural Water Management Plan Update:

A public hearing to provide information and receive input on the proposed "2016 San Diego Regional Agricultural Water Management Plan Update" was opened by President Broomell at 2:04 p.m.

Governor Brown's Executive Order in April 2015 led to a requirement for urban water agencies with commercial agricultural to adopt and submit Agricultural Water Management Plans to the Dept. of Water Resources by July 1, 2016 in order to maintain the commercial agricultural exemption from the domestic/commercial mandatory reduction levels. An effort was initiated, reported General Manager Arant, to develop a regional plan for agencies in the SDCWA service area in conjunction with the San Diego County Farm Bureau.

Ken Weinberg Water Resources Consulting, LLC was hired to prepare the plan for the fourteen participating retail water agencies serving commercial agriculture. These agencies are: Fallbrook PUD, Santa Fe ID, Carlsbad MWD (City of Carlsbad), Olivenhain MWD, Rainbow MWD, Ramona MWD, Rincon del Diablo MWD, Valley Center MWD, Yuima MWD, San Dieguito WD (City of Encinitas); Vallecitos WD, and the Cities of Escondido, Poway and Oceanside.

The participating agencies agreed to allocate the estimated \$75,000 cost of the project on a weighted average of ag acreage and ag accounts. Valley Center and Rainbow, being the two largest agricultural suppliers in the group, will be applying for grant money to help cover the cost of the report preparation, conveyed Mr. Weinberg.

The Regional Agricultural Water Management Plan is divided into two volumes. Part 1 is the regional section that explains the SDCWA perspective on water supplies, facilities, water use, water quality, wholesale rates and how the region manages a drought and shortage allocations. Part 2 contains individual agency chapters relating their agricultural history, supplies, water use, facilities, retail rates, agency policies for drought management, and water use efficiency and conservation.

The San Diego regional water use efficiency background was provided by Bill Jacoby. He conveyed that the water suppliers, SDCWA and the Farm Bureau have actively supported water use efficiency since the early 1980s. An MOU of Efficient Water Management Practices (EWMP) was signed by VCMWD in 1997. EWMPs are the driver in the legislation for how water use efficiency is reported. The two critical EWMPs are measuring the volume of water delivered, and a retail water pricing structure that includes charges based on the volume of water delivered. There are fourteen conditional EWMPs which must be both locally cost effective and technically feasible. These include recycled water, incentive pricing, Best Management Practices (BMPs), irrigation runoff and efficiency services to growers.

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Ken Weinberg recommended approval of the San Diego Regional Agricultural Water Manager Plan, as amended with errata sheets dated Feb. 16, 2016 and direct staff to submit the RAWMP to the Department of Water Resources within 30 days.

Audience comments were received from Tom Kennedy, General Manager of Rainbow MWD, and Eric Larson, Executive Director of the San Diego County Farm Bureau, both encouraged approval of the RAWMP and thanked the Board and VCMWD for taking the lead on this project.

The public hearing was closed at 2:35 p.m.

Upon motion by Aleshire, seconded by Polito and unanimously carried, the following Resolution, entitled:

RESOLUTION NO. 2016-02

**RESOLUTION OF THE BOARD OF DIRECTORS OF
VALLEY CENTER MUNICIPAL WATER DISTRICT
ADOPTING THE 2016 SAN DIEGO COUNTY REGIONAL
AGRICULTURAL WATER MANAGEMENT PLAN UPDATE**

was adopted by the following vote, to wit:

AYES: Directors Broomell, Polito, Aleshire and Haskell

NOES: None

ABSENT: None

3. State Water Resources Control Board Extended Emergency Regulation for Urban Water Conservation:

A hearing was held on February 2, 2016 at the State Water Resources Control Board to hear comments on extending the Emergency Regulation for Urban Water Conservation. Prior to adopting the extension through Oct. 31, 2016, the State Board made several modifications to the requirements, reported General Manager Arant. The modifications included providing adjustments of up to 4% for climate change and population growth. VCMWD will not qualify for either the growth or weather adjustment. An adjustment of up to 8% for new local drought resilient supply for potable reuse and desalination supplies added since 2013 was also included. As a recognized investor through the SDCWA, it is anticipated that the District will receive the maximum allowed 8% adjustment to its mandatory conservation level, dropping the requirement from 36% to 28%.

The \$1000 Minimum Commercial Transaction Certification requirement to maintain an agricultural exemption was not approved. The Board agreed to look at the requirements again in April or May. Snowpack is currently at 100% of normal. However, 150% of normal is needed to get out of the drought.

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4. Proposed Personnel Actions Mid-Fiscal Year 2015-2016:

The current fiscal year budget approved 62 full time equivalent (FTE) positions; one FTE remains un-utilized and one has been vacant since October 2015, reported General Manager Arant. This leaves an unexpended salary and benefit budget amount of \$125,000 for FY 2015-16.

Staff is seeking Board approval to provide pre-approval to fund staff recommendations for FY 2016-17 and make the following personnel actions to be effective March 1, 2016 to meet organizational needs for the balance of FY 2015-16:

- 1) An Administrative Assistant in the Engineering Department to provide support for the Project Managers is needed due to the increasing level of activity.
- 2) A Construction Maintenance Technician – The Operations and Facilities Dept. has an unfilled position and recently received a notice of retirement from a current Construction Maintenance Technician at the end of 2016. With the workload associated with special projects and system maintenance, staff desires to fill the open FTE with a C&M Technician I in the near term.

The cost to fill the Admin Assistant and C&M Technician for the balance of FY 2015-16 is approximately \$48,800. This would leave a carry-over savings of \$78,200 from the unexpended \$125,000 in this year's salary budget.

After release of the Board Memo, a Senior Construction Inspector gave notice of his retirement effective 12/31/16. A replacement for this critical position is proposed to be on board by 7/1/16 to provide a 6-month training/transition period. The FY 16-17 budget should provide another 0.5 FTE, bringing the total to 63. The carry-over savings of \$78,200 will offset 76% of the \$102,600 fully burdened impact of an additional FTE for FY 16-17.

This request would add two half positions for the remainder of 2015-16 bringing the total to 63 FTEs and one addition full time employee starting July 1st making the total employees on board 64 FTEs. This number will return to 62 FTEs after the end of December 2016 with the two employee retirements. No additional personnel are expected to be requested for FY 2016-17.

Staff recommended approval of the proposed mid-year personnel actions to hire an Administrative Assistant for Engineering and a C&M Tech I for Operations and Facilities; and pre-approval to fund a C&M Tech and Construction Inspector for 6 months in FY 2016-17 prior to the scheduled retirements.

Upon motion by Aleshire, seconded by Haskell and unanimously carried, the Board approved staff's recommendation.

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GENERAL MANAGER'S AGENDA

5. San Diego County Water Authority's Board of Directors' Meeting:

General Manager Arant reported on the following items from the SDCWA Board of Directors' Meeting of January 28th:

- The Water Authority approved the Hauck Mesa Storage Reservoir Project intimating that they will be interested in purchasing the District's reservoir site.

6. Miscellaneous:

- The December 2015 status report was submitted for review.
- Completion of the Cool Valley Reservoir Solar Project is expected by the end of February.

BOARD OF DIRECTORS' AGENDA

7. Appointment to Fill Division 4 Vacancy:

Notice of the Division 4 Board seat vacancy to complete the balance of the unexpired term was advertised in the Roadrunner Newspaper on two occasions. In addition, notice was posted on the District's premises and website, at the Valley Center Library, the VC Fire Station and at the Castle Creek Golf Course public bulletin board, reported Mr. Arant. Letters of interest to fill this vacancy were received by the date specified from Mr. Enrico Ferro and Mr. Cor Shaffer, both residents of Division 4 in Valley Center.

General Counsel de Sousa Mills reviewed the customary process for appointing a Board member.

Each candidate was provided time to present their qualifications, explain their interest in serving on the Board, and answer questions from the Board of Directors without the other candidate present. The Board then deliberated in open session without either candidate present. Once a decision was reached, the candidates returned for the announcement.

Upon motion by Polito, seconded by Haskell and unanimously carried, the following Resolution, entitled:

RESOLUTION NO. 2016-03

**RESOLUTION OF THE BOARD OF DIRECTORS OF
VALLEY CENTER MUNICIPAL WATER DISTRICT
APPOINTING ENRICO FERRO TO THE BOARD OF DIRECTORS
OF THE DISTRICT, REPRESENTING DIVISION 4**

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was adopted by the following vote, to wit:

AYES: Directors Broomell, Polito, Aleshire and Haskell
NOES: None
ABSENT: None

Mr. Ferro was then sworn into office and took his seat on the Board.

ADJOURNMENT

8. Upon motion by Aleshire, seconded by Polito and unanimously carried, the regular meeting of the Board of Directors was adjourned at 3:24 p.m.

ATTEST:

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President

Secretary

Minutes approved by the Board of Directors on March 7, 2016