

VALLEY CENTER MUNICIPAL WATER DISTRICT

Regular Board Meeting
Monday, March 6, 2017
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, Haskell and Ferro. Staff members present were: General Manager Arant, General Counsel Martin, Director of Operations Hoyle, Finance Director Pugh, IT Director Pilve, Deputy Engineering Dept. Director Williams, Safety and Regulatory Compliance Supervisor Olson, Manager of Accounting Velasquez, and Executive Assistant Johnson. There were no spectators present.

CONSENT CALENDAR

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

- Minutes of the Board meeting held February 21, 2017
- Audit demand check numbers 147997 through 148096 for February 10, 2017 through February 23, 2017

ACTION AGENDA

2. Resolution Setting Public Hearing Date for Water Availability Charges:

Approval of Resolution No. 2017-06 setting the date and time for a public hearing on June 5, 2017 at 2:00 p.m. to consider levying the assessment of an annual \$10/acre, \$10/parcel minimum water availability charge, was requested by Accounting Manager Velasquez. The availability charge has been assessed on all parcels within the District since FY 1995-96 and is expected to generate \$585,000 to be used for ongoing capital improvements.

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

RESOLUTION NO. 2017-06

**RESOLUTION OF THE BOARD OF DIRECTORS
OF VALLEY CENTER MUNICIPAL WATER DISTRICT
SETTING FORTH A SCHEDULE OF WATER AVAILABILITY CHARGES
PROPOSED TO BE ESTABLISHED FOR ALL PROPERTY WITHIN
THE DISTRICT FOR 2017-2018, FIXING THE TIME AND PLACE
OF HEARING, AND GIVING NOTICE OF HEARING**

was adopted by the following vote, to wit:

AYES: Directors Broomell, Polito, Aleshire, Haskell and Ferro

NOES: None

ABSENT: None

**3. Pauma Valley Groundwater Basin Groundwater Sustainability Agency (GSA)
Status Report:**

Previously, the six small agencies involved in the Pauma Valley Groundwater Basin GSA formation process were close to finalizing a Memorandum of Understanding with the County to act as lead GSA, reported General Manager Arant. Since meeting on March 1, 2017, the agencies involved are now considering a significant change in direction after County representatives made it clear that the County of San Diego would not take the responsibility of defending itself and the local agencies if a legal challenge was posed over the Groundwater Sustainability Plan and its implementation.

If the local agencies drop their individual GSA status and let the County act as sole GSA over the basin, it is thought that the County would move forward with developing and implementing the GSP with input from the local entities through an advisory committee process. Staff recommended, subject to further clarification from County staff and advice from General Counsel, to not sign the draft MOU, to formally relinquish its GSA status, and to actively participate in the proposed GSA Advisory Group. This would significantly reduce the District's liability exposure while retaining the ability to monitor and make input on the GSP development and implementation.

Each agency involved will consider this option and will meet again on March 16th for further discussion. Staff will have a final recommendation at the March 20, 2017 board meeting.

GENERAL MANAGER'S AGENDA

4. Strategic Plan Performance Results for 2016:

The following Strategic Plan Performance Results for 2016 were highlighted by General Manager Arant:

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- Customer Satisfaction – 99% “meets or exceeds” customer expectations.
- Unknown Water Loss – Goal Met, lowest amount recorded since 1981; preventative measures ongoing. SB 555 will require that water losses be audited by an outside contractor and make annual reports to the DWR.
- Discretionary Reserves – Goal met with 4.3 months of O&M expense.
- Total Commodity Cost – Goal met with M&I at 10.5% and TSAWR at 14.5%
- Pump Efficiency – Goal is 95% of design efficiency; actual was 102.6%
- Project Actual vs. Estimated Cost – Goal met with 7.4% over Engineer's Estimate for the one project completed in 2016.
- Water Service Reliability – Goal Exceeded with 99.999% reliability
- Compliant with all State and Federal Regulations: Goal Met
- Lost Time Accidents – Goal met with no lost time accidents reported for 2016.
- Return on Investments – Goal Exceeded with average yield of 1.001%

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 February 23, 2017:

- SDCWA entered into a General Terms and Conditions Agreement with Pristine Sun, LLC for a floating photovoltaic power system on the Olivenhain Reservoir for negotiation of a potential no-cost solar power and services agreement. SDCWA has the ability to wheel the 3.5 megawatts that could be generated.

6. Miscellaneous:

The following miscellaneous items were reported:

- Staff was invited by Layfield International's Research & Development Dept. to discuss the viability of placing solar panels on floating “barges” and are exploring potential test sites. Layfield is looking for recycled or raw water impoundments for their equipment which may be applicable on Lake Turner or the Charlan Road Wet Weather Facility. Staff is reviewing the challenges this would present at these locations.
- 276 acre feet of water sold in January 2017 which generated approximately \$5,400 of revenue. February sales are not looking much better.
- \$778,000 in net solar savings has been generated since 1989.
- To date, agricultural customers have received ~\$28M in ag discounts since 1994.

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GENERAL COUNSEL AGENDA

7. General Counsel Martin conveyed the recent California Supreme Court San Jose Decision that involves the use of personal emails. It clarifies that personal email use is actually a public record if it relates to the actual substance of the agency you work for.

CLOSED SESSIONS

8. **A closed session was called by President Broomell at 2:51 p.m. pursuant to:**
 - **Government Code §54957 – Public Employee Performance Evaluation:**
Title: General Manager

RECONVENE

The regular Board of Directors meeting reconvened at 3:24 p.m. There was no reportable action.

ADJOURNMENT

9. **Upon motion by Aleshire, seconded by Haskell and unanimously carried, the regular meeting of the Board of Directors was adjourned at 3:25 p.m.**

ATTEST:

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President

Secretary

Approved at a Regular Meeting of the Board of Directors on March 20, 2017