

# VALLEY CENTER MUNICIPAL WATER DISTRICT

Regular Board Meeting  
Monday, May 1, 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 de Sousa Mills, Finance Director Pugh, IT Director Pilve, District Engineer Grabbe, Pumps & Motors Supervisor Rutherford, Manager of Accounting Velasquez, Safety and Regulatory Compliance Supervisor Olson, and Executive Assistant Johnson. Spectators present were Jeff Kightlinger and Meena Westford – MWD, Dennis Cushman – SDCWA, and Dave Ross - Valley Roadrunner.

## **CONSENT CALENDAR**

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

- Minutes of the Board meeting held April 17, 2017.
- Audit demand check numbers 148442 through 148523 for April 7, 2017 through April 20, 2017.

## **PRESENTATION**

### **2. Metropolitan Water District of Southern California Presentation by Jeff Kightlinger, General Manager:**

A presentation was given by Jeff Kightlinger, General Manager of the Metropolitan Water District to address some issues raised by the San Diego County Water Authority and reporting on the following items:

- Met has 26 member agencies in their service area, serving six counties and providing water to one out of every two Californians.
- The Met system is integrated to allow switching supplies from the State Water Project and Colorado River as necessary.
- Record breaking precipitation;

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- Water banking and storage;
- Local projects and demand management conservation;
- Reinvestment in local water supplies;
- Reliability on State Water Project lost due to environmental and pump restrictions, more volatility expected in future.
- Ecosystem restoration in Delta, better conveyance system and additional storage investments needed
- History of Delta issues since the 1930s, currently the California Water Fix;
- Met has invested in:
  - Diamond Valley Lake and inland feeder;
  - Has a small stake in Sites Reservoir
  - Recently purchased 12,000 acres in Palo Verde Valley to lock down water rights on the Colorado River;
  - Purchased four Delta islands needed for the Water Fix.
- Addressed SDCWA Concerns:
  - Long range forecasting done every two years - requires identical analysis as long range finance plans.
  - Rates continue to go up; aging infrastructure is in a constant state of repair and replace and currently makes up 70% of MWD's capital budget.
  - Met spending under budget for the last decade; however, three major out of budget expenditures openly debated and approved by their board:
    - Palo Verde acreage
    - \$450 million for turf replacement rebates
    - Delta islands purchased with taxable debt for about \$160M
  - Lower court decision of one-quarter billion in assessed damages was set aside in reserves but has been moved into a stand-alone fund. Borrowed as short term debt at 1.1%. Met needs to figure out how to recoup that money.
  - Overbilling 1.6 million acre feet a year average on projects through their Urban Water Management Plan – Met will shoot for a regional buffer of 200,000 acre feet. Actual annual delivery this year will be 1.6M acre feet.

Dennis Cushman, Assistant General Manager of the San Diego County Water Authority followed up with comments and concerns about MWD's long term financial sustainability if their practices continue.

The District was asked to adopt a resolution in support of the Water Authority's efforts to secure financial data from MWD at the regular board meeting on April 17. General Manager Arant provided a draft resolution for the board's review and comment. The amended resolution will be presented for possible adoption at the next regular board meeting.

**ACTION AGENDA**

**3. AB 892 (Waldron) – Water Service to Tribal Lands from Municipal Water Districts:**

Assembly Bill 892 was introduced on behalf of area tribes seeking permanent water service without having to formally annex the tribal lands into the jurisdictional boundaries of a municipal water district, and in the case of the San Diego region, the SDCWA and MWD. This bill follows similar legislation from 2014, AB 2470, introduced by Assembly Member Gonzalez-Fletcher on behalf of the Sycuan Band.

Under AB 892, service by the municipal water district would be extended only if the district desires to do so and the tribes agree to meet “substantially the same terms and conditions required had the land been fully annexed into the district.”

Staff has had preliminary contact with Assembly Member Waldron’s legislative staff, as well as representatives from the Rincon and San Pasqual Bands on the potential implementation of AB 892. Each Band fully understands that they would be subject to any and all costs that would apply to any other non-tribal land annexing into MWD, SDCWA and VCMWD for this type of arrangement to be acceptable.

This bill will be considered in the next legislative session. At this time, the District has not been asked to take a formal position on AB 892.

**GENERAL MANAGER’S AGENDA**

**4. Miscellaneous:**

The following miscellaneous items were reported:

- Letters opposing Assembly Bills 67, 68 and 69 regarding Ag Conservation, Urban Water Conservation Standards and Water Management Planning have been submitted.
- Protocols for lead testing at local schools being established.
- Emergency order issued to Gratzel Construction for blowout at Hell Hole Canyon.

**GENERAL COUNSEL AGENDA**

5. General Counsel de Sousa Mills reported that SB 496, the design and immunity bill, mentioned at the last meeting, was approved as part of the transportation project/gas tax bill.

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**ADJOURNMENT**

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

**ATTEST:**

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**President**

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**Secretary**

**Approved at a Regular Meeting of the Board of Directors on May 15, 2017**