

VALLEY CENTER MUNICIPAL WATER DISTRICT

Regular Board Meeting
Monday, September 18, 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 and Ferro. Staff members present were: General Manager Arant, General Counsel De Sousa Mills, District Engineer Grabbe, Finance Director Pugh, IT Director Pilve, Director of Operations/Facilities Hoyle, Manager of Accounting Velasquez, Safety and Regulatory Compliance Supervisor Olson, and Executive Assistant Johnson. Spectators present were: Jacqueline Howells – HGR.

CONSENT CALENDAR

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

- Minutes of the Board meeting held August 21, 2017.
- Audit demand check numbers 149496 through 149746 for August 11 through September 1, 2017 and wire disbursements for August 2017.
- Treasurer's Report for month ended July 31, 2017.

ACTION AGENDA

2. Extension of Water Service Agreement with San Pasqual Band of Diegueno Mission Indians Through September 2018:

Adoption of Resolution No. 2017-23, to extend the Emergency Service Agreement with the San Pasqual Band of Diegueno Mission Indians to September 30, 2018, was presented by General Manager Arant. The District's agreement with the Band has been in place since the Mid-1990s and extended yearly with the approval of the Metropolitan Water District. However, this may be the last extension as the long-standing water rights litigation with the five bands, the city of Escondido and the Vista Irrigation District has been resolved.

Staff will be meeting with San Pasqual representatives to discuss a long-term agreement to transport the water received in their settlement. In addition, AB 1361 (Garcia/Waldron), regarding virtual annexation of tribal lands, has passed in the

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Assembly and has been forwarded to the Governor for approval. This may ultimately impact the nature of any long-term agreement between VCMWD and the Tribes.

Upon motion by Polito, seconded by Ferro and unanimously carried, the following resolution, entitled:

**RESOLUTION NO. 2017-23
RESOLUTION OF THE BOARD OF DIRECTORS OF
THE VALLEY CENTER MUNICIPAL WATER DISTRICT
AN EXTENSION TO THE THIRD AGREEMENT BETWEEN THE DISTRICT
AND SAN PASQUAL BAND OF MISSION INDIANS REGARDING
WATER SUPPLY TO SEPTEMBER 30, 2018**

was adopted by the following vote, to wit:

AYES: Directors Broomell, Polito and Ferro

NOES: None

ABSENT: Aleshire and Haskell

3. Corporate Facility Needs Reassessment – Status Update:

Previous discussions on the District's corporate facility needs centered on whether the current site could reasonably accommodate the future needs of the District through build out. MKA Architecture and Planning's assessment indicated that, with the acquisition of another acre of land, all the corporate facility needs could be accommodated with a single story administrative facility. Without any additional land, the future corporate needs could be met on the current site with a two-story administrative facility. At that time, there were concerns expressed by the Board about the cost impacts of a two-story versus a single story structure.

Following those discussions, staff asked MKA to provide a preliminary estimate of the premium cost associated with building a two-story structure vs. a single story facility. MKA provided that the cost of a 28,000 sq. ft., two-story facility is estimated at \$6,160,000, while a single story, 26,000 sq. ft. facility is estimated at \$5,720,000; a difference of \$440,000, or 7.7% more for the two-story structure. The extra 2,000 sq. ft. is an estimate to offset the space loss for an elevator and stairwell, as well as other two-story design features. The avoided cost of acquiring additional property should be offset against the two-story construction premium, thus providing a more reasonable cost differential.

MKA's analysis confirms the Board has a high degree of flexibility in making decisions regarding future corporate facility needs. Most importantly, there is no urgency whatsoever to make any decisions now associated with meeting the District's future corporate facility needs, as the current facility is adequate to meet its present requirements.

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GENERAL MANAGER'S AGENDA

4. End of Legislative Session Update:

The current legislative session ended in the early morning hours of September 16th reported General Manager Arant. The following bills are of particular interest to water agencies:

- Senate Bill 606 and its companion bill, AB 1668, regarding long term water use efficiency, both failed passage and will now become two-year bills. This means that the water community did an effective job in communicating its concerns and demonstrated that a number of the legislators are listening.
- SB 623 (Monning), which would impose a water tax to do improvements in other parts of the state, will also become a two-year bill. The water community was successful in mounting enough opposition to have it held over to the next session.

When the legislature returns in January 2018, they will take up discussions again on these bills. This allows more time for the water community to voice its concerns and, hopefully, make the bills more reasonable.

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 August 24, 2017:

- Due to the drop off in water consumption, water quality is becoming an issue. The Board authorized the General Manager to execute agreements with up to five member agencies to address water quality challenges south of the Mission Trails Flow Regulatory Structure. In addition, the Water Authority will be purchasing a new, smaller meter from Metropolitan to reduce the minimum flow requirements on Pipeline 4.

6. Miscellaneous:

General Manager Arant reported on the following items:

- The County approved the MOU with the local members of the Pauma Valley Groundwater Sustainability Agency (GSA) and has sent out a Request for Proposals seeking a consultant to complete the Groundwater Sustainability Plan which needs to be done by July 2022.
- VCMWD was invited to participate in the GSA Executive Workgroup, even though it is not a signatory to the MOU. A meeting, focusing on how to engage the tribes in the GSA even though they are exempt, will take place September 19th.

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- Each Department Head provided the Board with an update on the activities and projects going on in their respective departments.

GENERAL COUNSEL

General Counsel de Sousa Mills reminded the Board that earlier this year, the State Water Resources Control Board modified the domestic water supply permit to require water agencies to do lead testing at schools, if requested by the school. Assembly Bill 746 (Gonzalez), if signed by the Governor, will require water districts to test all school sites with buildings constructed before January 1, 2010 (unless that school has been modernized), regardless if the school requests it. The bill requires testing be done before July 1, 2019. As opposed to the requirement in the state permit, which requires water districts do the testing on their own dime, this bill would potentially enable an agency to seek state mandated funds to reimburse the cost. If approved, it would govern any School District, County Office of Education or Charter School located in a public facility.

ADJOURNMENT

7. Upon motion by Ferro, seconded by Polito and unanimously carried, the regular meeting of the Board of Directors was adjourned at 3:02 p.m.

ATTEST:

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President

Secretary