

VALLEY CENTER MUNICIPAL WATER DISTRICT

Regular Board Meeting
Monday, October 1, 2018
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 Polito at 2:00 P.M.

ROLL CALL

Board members present were: Directors Polito, Haskell, Broomell, Ferro and Holtz. Staff members present were: General Manager Arant, General Counsel de Sousa Mills, District Engineer Grabbe, Director of Operations Hoyle, Director of Finance and Administration Pugh, Director of IT Pilve, Manager of Accounting Velasquez, Safety and Regulatory Compliance Supervisor Olson, and Executive Assistant Johnson. Spectator present was Oliver Smith.

AGENDA CHANGE

Agenda Item 3, Request for Variance from Administrative Code Article 160.4(e) was withdrawn from the agenda by the requestor.

CONSENT CALENDAR

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

- Minutes of the Board meeting held September 17, 2018
- Audit demand check numbers 152358 through 152440 for September 7 through September 13, 2018

ACTION AGENDA

2. **Preview of Proposed Capacity Reservation Transfer Policy for Woods Valley Ranch WRF Service Area and Assessment District 2012-1:**

Staff has been working on a policy that allows for the transfer of wastewater capacity generated by the Woods Valley Ranch Wastewater Expansion Project from property that has excess capacity to property that wants it, reported District Engineer Grabbe. This policy would accommodate the growth needs of the service area and more effectively utilize all available capacity.

The proposed policy was explained in detail by Mr. Grabbe and addresses the following issues:

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- Capacity allowed for transfer (Treatment vs. Collection system capacity);
- Property eligible to receive capacity (inside service area, proper value to lien ratio);
- Legal requirements for transfer of capacity and assessment lien;
- When capacity transfers will be offered;
- Setting the order of which property capacity is released and setting the order of which property receives the available capacity;
- Compensation for released capacity;
- Cost of additional capacity, both cash funding requirements and anticipated assessment lien; and
- Reimbursement of District expenses for administering capacity transfers.

Currently, there are four properties wanting to release a total of 73 EDUs of excess capacity and eleven parcels requesting an additional 28 EDUs of capacity. This item was presented for discussion only. Staff will work on finalizing the policy and will bring it back to the Board for approval in the near future.

GENERAL MANAGER'S AGENDA

3. Long-term Water Conveyance and Service Agreement for the San Pasqual Band of Mission Indians and Extension of Emergency Services Agreement - Status Report:

As previously discussed at the regular Board Meeting of August 20, 2018, staff has been working with representatives of the San Pasqual Band to establish a Long-term Water Conveyance and Service Agreement to wheel their 16,000 acre feet of "Settlement Water" from the San Diego Aqueduct through Valley Center's system. The District would then charge them to move the water to tribal lands both inside and outside the VCMWD boundary.

A framework for the Agreement has been formulated to address a number of issues, including:

- Environmental and regulatory approvals – responsibility of San Pasqual
- Water facility costs (planning, design, right-of-way acquisition, environmental, construction permits, inspection, etc.) – responsibility of San Pasqual
- Capacity Charges if Band purchases any additional meters – responsibility of San Pasqual
- All water delivered to San Pasqual would be subject to full Local Commodity Charge
- All applicable pump zone charges would be paid by San Pasqual
- San Pasqual properties currently served by VCMWD will receive the benefit of the Supplemental Water
- District to make all reasonable efforts to provide continuous water service
- In the event of a disruption in supply to the District, VCMWD will equitably apportion to all of its customers, including San Pasqual
- San Pasqual agrees to take prudent measures to conserve and make efficient use of water reflecting the local, regional and statewide water resources

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- When supplemental water not available, the District will provide water service to San Pasqual under provisions of the District's policies and applicable law.

It is anticipated that a draft Long-term Agreement will be ready for Board review in the next few months. MWD has indicated that, while the Long-term Agreement is being finalized, it will grant VCMWD permission to extend the Emergency Services Agreement for one year to September 30, 2019. Once written confirmation from MWD is received, staff will request Board approval of the Emergency Services Agreement Extension with the San Pasqual Band.

4. The following miscellaneous items were reported by General Manager Arant:
- SB 998 was passed by the legislature making it very difficult to administer water accounts and shut water off for non-payment; will be effective in 2020.
 - The Water Tax was not successful but will be brought back in the next legislative session.

GENERAL COUNSEL AGENDA

5. General Counsel de Sousa Mills reported that she is going through the lengthy list of bills signed or vetoed by the Governor to see if any of them require compliance or somehow affect public agencies.

BOARD OF DIRECTORS' AGENDA AND REPORT OF MEETINGS ATTENDED

6. **Amendments to District's Conflict of Interest Code Appendix:**

A biennial review of the District's Conflict of Interest Code is required per Government Code Section 87306.5. The current review showed a need to add two titles to the Designated Positions list in the Appendix (SCADA/IT Systems Administrator and Sr. Engineer), along with the Disclosure Category for each. Staff recommended approval of an amendment to the Conflict of Interest Code Appendix.

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

RESOLUTION NO. 2018-21

**RESOLUTION OF THE BOARD OF DIRECTORS
OF VALLEY CENTER MUNICIPAL WATER DISTRICT
AMENDING THE CONFLICT OF INTEREST CODE
PURSUANT TO THE POLITICAL REFORM ACT OF 1974**

was adopted by the following vote, to wit:

- AYES: Directors Polito, Haskell, Broomell, Ferro and Holtz**
NOES: None
ABSENT: None

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ADJOURNMENT

7. Upon motion by Ferro, seconded by Broomell and unanimously carried, the regular meeting of the Board of Directors was adjourned at 3:05 p.m.

ATTEST:

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President

Secretary

Approved at a regular meeting of the Board of Directors on October 15, 2018