

# VALLEY CENTER MUNICIPAL WATER DISTRICT

Regular Board Meeting  
Monday, October 15, 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, 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, and Executive Assistant Johnson. Spectators present were Jerry Reed and Jim Fisher – SDCWA, Warren Diven – BBK, and Megan Anderson – Howells Government Relations.

## **CONSENT CALENDAR**

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

- Minutes of the Board meeting held October 1, 2018
- Audit demand check numbers 152441 through 152590 for September 14 through October 4, 2018 and wire disbursements for September 2018
- Treasurer's Report for month ending August 31, 2018

## **ACTION AGENDA**

### **2. Emergency Storage Project Improvements Design (Phase 1) Agreement with Yuima Municipal Water District and the San Diego County Water Authority:**

A brief history of the Emergency Storage Project (ESP) was provided by Jerry Reed, Director of Engineering, of the San Diego County Water Authority (SDCWA). Approximately 85% of the water for the San Diego Region is received through five major pipelines from Metropolitan Water District. These pipelines are intersected by three major earthquake faults; any of which could produce a seismic event that could cut off or severely limit the supply. SDCWA began studies in the 1980's and a five phase Emergency Storage Project was adopted in 1998 to provide over 90K AF of storage and a means to transport that water throughout the Water Authority's service area during an emergency event. The phases consist of:

- Olivenhain Reservoir and Pipelines
- Lake Hodges Pipeline and Pump Station
- San Vicente Pipeline,

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- San Vicente Dam Raise, and
- North County ESP Improvements

With the first four phases complete, SDCWA wants to begin the final phase of improvements in the Valley Center and Yuima service areas. These improvements include upgrading the San Gabriel Pump Station, installing a new pipeline from San Gabriel to Yuima's pipeline, and installing a new FCF/PRV to facilitate the interface with YMWD.

The Phase I Design Agreement between SDCWA, Yuima MWD and Valley Center MWD being considered today provides that SDCWA will cover the full cost for VCMWD to procure and manage the work of a design consultant, and the costs for YMWD to coordinate with and review the design process. This phase is estimated at \$580,000, with \$520,000 going to VCMWD and \$60,000 to YMWD.

Once the design is completed, a Phase II Construction Agreement will be finalized to cover administration, management, inspection and construction of the improvements, currently estimated at \$5.2M.

SDCWA will prepare the environmental documents and handle all necessary right-of-way acquisition. Design is expected to be complete by early 2020, construction starting mid-2020, and project completion by mid to late 2021. VCMWD will own all the improvements within its service area and continue to provide O&M.

**Upon motion by Broomell, seconded by Holtz and unanimously carried, staff was authorized to execute the Agreement Between and Among the San Diego County Water, the Valley Center MWD and the Yuima MWD for funding the design of the Emergency Storage Project Improvements in Valley Center and Yuima Water Districts.**

### **3. SDCWA 1<sup>st</sup> Aqueduct Rehabilitation Project and Associated 10-day Aqueduct Shutdown:**

Jim Fisher, Director of Operations for the SDCWA, provided a presentation on the 1<sup>st</sup> San Diego Aqueduct Rehabilitation Project and resulting 10-day aqueduct shutdown.

From February 24<sup>th</sup> through March 5, 2019, the SDCWA will shutdown the 1<sup>st</sup> Aqueduct to install bulkheads that will isolate one of the barrels to facilitate the pipeline rehabilitation from the MWD point of delivery to north Escondido. Following the shutdown, total flows on the 1<sup>st</sup> Aqueduct will be reduced to a maximum of 90 cfs for up to 24 months to complete the ~\$20M rehabilitation work. There will be additional shutdowns in December 2019 to move the bulkheads to the other side, and a final one in November 2020 to remove the bulkheads and restore full service to the pipeline.

Staff will provide advanced notification to the District's large agricultural customers of restricted watering during the shutdown. Additionally, reservoir facilities that are typically offline during the winter months will be brought back online.

This was an Informational item only.

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**4. Capacity Reservation Transfer Policy for Woods Valley Ranch Water Reclamation Facility Service Area 2 – Assessment District 2012-1:**

As previewed and discussed at the October 1<sup>st</sup> regular board meeting, a policy allowing for the transfer of wastewater capacity generated by the Woods Valley Ranch Wastewater Expansion Project was presented for adoption by District Engineer Grabbe. The proposed Capacity Allocation Transfer Policy would be added to Administrative Code Article 171 as a new Section 171.11, with the current sections 171.11 through 171.14 renumbered accordingly. In addition to the Capacity Transfer Policy, other minor revisions are proposed for the renumbered sections to correct typographical errors, update the requirements for Standby Fees and Sewer Service Charges to match current conditions, and eliminate provisions that are no longer relevant.

Staff recommended adoption of Ordinance No. 2018-17, amending the Administrative Code to add a transfer policy for sewer capacity and the corresponding assessments for the Woods Valley Ranch Water Reclamation Facility Service Area 2 and updating sections on Standby Fee and Service Charges to current standards.

**Upon motion by Ferro, seconded by Holtz and unanimously carried, the following ordinance, entitled:**

**ORDINANCE NO. 2018-17**

**ORDINANCE OF THE BOARD OF DIRECTORS  
OF VALLEY CENTER MUNICIPAL WATER DISTRICT  
AMENDING ADMINISTRATIVE CODE SECTION 171  
ADDING THE CAPACITY TRANSFER ALLOCATION POLICY  
FOR THE WOODS VALLEY RANCH WATER RECLAMATION FACILITY  
SERVICE AREA 2**

was adopted by the following vote, to wit:

**AYES: Directors Polito, Broomell, Ferro and Holtz**

**NOES: None**

**ABSENT: Haskell**

**5. Capacity Reservation Transfer Requests for Woods Valley Ranch Water Reclamation Facility Service Area 2 – Assessment District 2012-1:**

Following approval of the Capacity Transfer Policy, three requests for capacity reallocations and transfers are complete and now seek Board approval. The transfers require the Board to conduct proceedings to amend the AD 2012-1 assessments for the affected properties, reported Mr. Grabbe. The transfer requests are:

Touchstone MDV – One EDU transfer from APN 189-281-09 to APN 186-270-01. Both parcels are in the same benefit area and both treatment and collection capacity are proposed for transfer. The property owner waived their rights to a public hearing

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Kidd Family Trust – The property owner has one EDU assigned to APN 188-231-35 and wants to include their adjacent two parcels (185-141-07 & 25) in the allocation. All parcels are in the same benefit area. The property owner has waived their rights to a public hearing.

Mendoza – This property is one of 12 parcels on Woods Valley Court previously owned by LCD Realty Investment. LCD had included six of the parcels in Assessment District 2012-1 and requested to have three of the capacity units transferred to three parcels not included in AD 2012-1 that were in the process of being sold. The Mendoza parcel is the first of the three requests and wants to transfer one EDU from APN 189-094-39 to APN 189-094-30. All parcels are in the same benefit area. Terms of the transfer of capacity and assessment are memorialized in the First Addendum to Wastewater Service Agreement. The property owner has waived their rights to a public hearing.

Staff has reviewed the requested capacity transfers and reallocations and recommends the Board adopt Resolution No. 2018-23 approving the three transfers mentioned here, directing the Assessment Engineer to make the appropriate amendments to his Report, Boundary Map and Assessment Diagram, and have staff record the Notice of Assessment for the affected properties.

Special Counsel Warren Diven, of Best, Best and Krieger, explained the specific actions that the Resolution would be approving. Future requests for transfers will be on the consent calendar.

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

**RESOLUTION NO. 2018-23**

**RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CENTER MUNICIPAL WATER DISTRICT, APPROVING THE TRANSFER OF WOODS VALLEY RANCH WASTEWATER RECLAMATION FACILITY CAPACITY TO OR FROM CERTAIN PROPERTIES LOCATED WITHIN THE WOODS VALLEY RANCH WATER RECLAMATION FACILITY SERVICE AREA 2; APPROVING RELATED WASTEWATER SERVICE AGREEMENTS OR ADDENDUMS TO EXISTING WASTEWATER SERVICE AGREEMENTS; APPROVING RELATED CHANGES AND MODIFICATIONS TO ASSESSMENT DISTRICT NO. 2012-1 AND ORDERING CORRESPONDING CHANGES TO THE ASSESSMENT ENGINEER'S REPORT RELATED THERETO**

was adopted by the following vote, to wit:

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

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**6. AUTHORIZATION TO ENTER INTO A STANDARD FORM OF ADDENDUM TO WASTEWATER SERVICE AGREEMENT REGARDING REDUCED WASTEWATER CAPACITY ALLOCATIONS FOR COMMERCIAL DEVELOPMENTS:**

Approval of a standard form of addendum to the Wastewater Service Agreement, prepared by Best, Best and Krieger, to allocate specific EDU capacity for specific commercial developments was requested by District Engineer Grabbe.

Commercial and retail buildings vary greatly in their needs for wastewater capacity depending on several factors including: type of business, number of employees and customers, and the type of service provided. It is important that the capacity allocation match the actual discharge from the proposed commercial developments. Staff proposes entering a standard form addendum to the Wastewater Service Agreement with owners and tenants of commercial property who request a variance from the standard capacity requirements for commercial use. In exchange for the variance, the owner/tenant will agree to pay an Excess Wastewater Usage Charge for discharges in excess of their capacity allocation, based on an allowable monthly water use appropriate for the wastewater capacity.

Staff recommended the Board authorize the General Manager to enter into the standard form of addendum to the Wastewater Service Agreement, tailored for the specific property, with commercial developers and/or tenants in the Woods Valley Ranch WRF Service Area requesting a reduced wastewater capacity allocation.

**Upon motion by Broomell, seconded by Ferro and unanimously carried, the Board approved staff's recommendation.**

**GENERAL MANAGER'S AGENDA**

7. The District's Status Report for August 2018 was presented for review.

**BOARD OF DIRECTORS' AGENDA AND REPORT OF MEETINGS ATTENDED**

**8. Resolution in Support of Proposition 3, the Water Supply and Water Quality Act of 2018:**

Proposition 3 is an \$8.8 billion bond that will appear on the November 6<sup>th</sup> General Election ballot as the Water Supply and Water Quality Act of 2018. The measure would make available general obligation bonds to fund projects in key categories as follows:

- \$750M for safe drinking water and wastewater treatment for disadvantaged communities;
- \$400M for wastewater recycling;
- \$400M for groundwater desalination;
- \$300M for urban water conservation;
- \$50M for agricultural water conservation;
- \$675M for Sustainable Groundwater Management Act (SGMA) implementation and groundwater stabilizing;

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- \$600M for storm water management;
- \$2.3B for watershed improvements; and
- \$400M for fisheries restoration.

The Association of California Water Agencies is encouraging its member agencies to adopt a resolution in support of Proposition 3.

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

**RESOLUTION NO. 2018-22**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF VALLEY CENTER MUNICIPAL WATER DISTRICT  
IN SUPPORT OF PROPOSITION 3, THE  
WATER SUPPLY AND WATER QUALITY ACT OF 2018**

**was adopted by the following vote, to wit:**

**AYES: Directors Polito, Broomell, Ferro and Holtz**

**NOES: None**

**ABSENT: Haskell**

**ADJOURNMENT**

**9. Upon motion by Ferro, seconded by Broomell and unanimously carried, the regular meeting of the Board of Directors was adjourned at 3:09 p.m.**

**ATTEST:**

**ATTEST:**

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**President**

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**Secretary**

**Approved at a regular meeting of the Board of Directors on November 5, 2018**