

# VALLEY CENTER MUNICIPAL WATER DISTRICT

Regular Board Meeting  
Tuesday, February 19, 2019  
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 2:01 p.m.

## **ROLL CALL**

Board members present were: Directors Polito, Haskell and Ferro. 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, Project Manager Williams, Safety & Regulatory Compliance Supervisor Olson, and Executive Assistant Johnson. Spectator present was Megan Anderson – HGR.

## **CONSENT CALENDAR**

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

- Minutes of the Board meeting held February 4, 2019
- Audit demand check numbers 153497 through 153600 for January 25, 2019 through February 7, 2019 and wire disbursements for January 2019
- Treasurer's Report for month ending December 31, 2018

## **ACTION AGENDA**

2. **Award of Construction Contract for the Via Cantamar and Reidy Canyon No. 1 Reservoir Painting and Recoating Project:**

The District's FY 2018-19 budget included \$1,345,000 for the recoating and painting of four reservoirs reported Project Manager Williams. Staff evaluated the interior coating and external paint of Via Cantamar, Reidy Canyon No. 1, Jesmond Dene and Ridge Ranch Interim Reservoirs. Because of their poor structural condition, Jesmond Dene and Ridge Ranch are not good candidates for recoating and painting. In addition, staff determined that the Jesmond Dene Reservoir may be removed from service while maintaining current storage levels within the service area from the Kornblum Reservoir, and that Ridge Ranch Interim Reservoir should be replaced. Staff will evaluate design options and include this project in the FY 2019-20 annual budget submittal.

The Via Cantamar Reservoir is a 3.0 million gallon, above ground, welded steel potable water reservoir that was constructed in 2003. It has not been recoated or painted since construction. The exterior paint is in good condition so only the roof needs repainting.

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The Reidy Canyon Reservoir No. 1 is a 0.5 million gallon, welded steel, above ground, potable water reservoir that was constructed in 1955. It has been painted and recoated several times. The exterior prime coat contains lead so appropriate health and safety precautions will need to be taken.

The scope of work includes cleaning, remedial repair, interior coating and exterior painting, removal of interior ladders, removal and replacement of existing earthquake straps and removal and replacement of rafter tail nuts and bolts. The engineer's estimate for construction was \$632,000.

Three bids were received in accordance with formal bidding procedures. One bid was disqualified due to their failure to attend the pre-bid meetings. The following bids were accepted:

AMP United, LLC	\$584,809
Advanced Industrial Services	\$799,690

AMP United, LLC is a certified SSPC QP-1 contractor, as required in the bid documents, and, in 2017, completed the Rincon Reservoir Painting and Recoating project in a professional manner. Staff contacted AMP United to confirm their understanding of the project and ability to perform the work on time and for the bid amount.

Staff recommended adoption of Resolution No. 2019-02, awarding the construction contract to AMP United, LLC for their low bid of \$584,809 and authorize the General Manager to execute the contract on behalf of the District. Allowing 80 calendar days for construction, the expected completion date for the project is May 31, 2019.

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

**RESOLUTION NO. 2019-02**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF VALLEY CENTER MUNICIPAL WATER DISTRICT  
AWARDING THE CONSTRUCTION CONTRACT FOR THE  
VIA CANTAMAR AND REIDY CANYON NO. 1 RESERVOIR  
PAINTING AND RECOATING PROJECT**

was adopted by the following vote, to wit:

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

**3. Funding Strategy to Reduce District CalPERS Pension Plan Unfunded Accrued Liability:**

This is a follow up to the agenda item presented at the regular Board meeting on February 4, 2019. Funding options to increase the District's funding ratio, reduce the

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Unfunded Accrued Liability and the related payments over time, were described by Finance Director Pugh. At the Board's request, staff provided a matrix showing optional discretionary payments in order to reach the Funded Ratio Targets of 75% to 85% within a 10 to 15 year timeframe. The discretionary payments would be in addition to the UAL payments that are due every year (between \$1.7M and \$2.5M).

The matrix indicated that without additional payments, the funded ratio target of 75% would be achieved in 11 years, 80% in 12 years, and 85% in 14 years. Staff recommended using unanticipated one-time revenues up to \$250,000 per year, with Board approval, to help pay down the Pension Plan Unfunded Accrued Liability and increase the funded ratio. One-time revenues may include such items as insurance premium refunds, sale of property, or scrap metal sales.

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

**GENERAL MANAGER'S AGENDA**

**4. Miscellaneous:**

The District's Status Report for December 2018 was provided.

**CLOSED SESSIONS**

**5. A closed session was called by President Polito at 2:37 p.m. pursuant to:**

- **Government Code §54957.6 – Conference with Labor Negotiators:**

Agency Representative:	Gary Arant, General Manager
Employee Organization:	Valley Center MWD Employee Association

**RECONVENE**

**6. The regular Board of Directors meeting reconvened at 2:45 p.m. There was no reportable action.**

**ADJOURNMENT**

**7. Upon motion by Haskell, seconded by Ferro and unanimously carried, the regular meeting of the Board of Directors was adjourned at 2:46 p.m.**

**ATTEST:**

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**President**

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**Secretary**

**Approved at a regular meeting of the Board of Directors on March 18, 2019**