

VALLEY CENTER MUNICIPAL WATER DISTRICT

Regular Board Meeting
Monday, April 1, 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 2:00 p.m.

ROLL CALL

Board members present were: Directors Polito, Haskell, Ferro and Smith. 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, Accounting Manager Velasquez, Safety & Regulatory Compliance Supervisor Olson, and Executive Assistant Johnson. Spectators present were Megan Anderson – HGR, and Barry Willis – LAFCO candidate.

AGENDA CHANGE

Agenda item 11 was moved up to be the first item under the Action Agenda.

CONSENT CALENDAR

- 1. Upon motion by Smith, seconded by Haskell and unanimously carried, the following consent calendar items were approved:**
 - Minutes of the Board meeting held March 18, 2019
 - Audit demand check numbers 153814 through 153938 for March 8, 2019 through March 21, 2019
 - Treasurer's Report for month ending February 28, 2019

ACTION AGENDA

2. San Diego Local Agency Formation Commission Special District Election Ballot:

San Diego County Special Districts have two regular seats and one alternate seat on the San Diego LAFCO. Currently up for election are one Special District regular seat and the alternate seat. Following the nomination process, a Nomination Committee makes its recommendations on the candidates. Each Special District casts one ballot.

Mr. Barry Willis of the Alpine Fire Protection District introduced himself as a candidate for a Special District regular seat and shared his philosophy with the Board.

After review, the Board President designated that the District's ballot will be cast for Edmund Sprague for the Regular seat and Erin Lump as the Alternate seat per the Nominating Committee's recommendations.

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3. Authorization to Enter into a Three-Year Software Enterprise Licensing Agreement for a Computerized Maintenance Management System and Authorization to Hire a Consultant for Software Implementation:

The purchase of a Computerized Maintenance Management System (CMMS) was approved with the FY 2017-18 Budget as a new asset management program to improve and modernize field tracking and scheduling of maintenance, inspections and repairs of all field activities. However, the procurement was delayed during the Springbrook conversion project.

The original scope was to purchase a smaller CMMS to supplement Springbrook. After implementation, it was determined that Springbrook did not meet the tracking and scheduling capabilities for a fully functional CMMS. A staff committee was formed to evaluate the possibilities.

Following demonstrations from five CMMS vendors, staff evaluated each program's ability to be customized, future capability of the software, ability to work with mobile devices, ease of use, and integration capabilities with current GIS software. In addition, staff visited two agencies utilizing Cityworks and were provided demonstrations and feedback from their staff on the program. The committee concluded that Cityworks was the best CMMS to meet the current and future needs of the District.

A three-year Enterprise Licensing Agreement was negotiated for the Cityworks CMMS at \$15,000 for the first year, \$18,000 for the 2nd, and \$20,000 for the third. It includes unlimited users and all additional add-ons except GraniteNet software which will be purchased separately. Funds for years 2 and 3 will be requested in the 2019-20 and 2020-21 Fiscal Year Budgets.

Based on feedback from other agencies, utilizing a consultant and taking a multiphase approach was considered the best implementation strategy. Staff received two proposals for the first phase of implementation: Black & Veatch - \$94,800, and Miller Spatial - \$31,980. Both consultants are Cityworks implementation partners.

Staff recommended adoption of Resolution No. 2019-13 authorizing staff to enter into a 3-year enterprise licensing agreement with Cityworks for a CMMS, and Resolution No. 2019-14 authorizing staff to contract with Miller Spatial for phase one of Cityworks rapid launch implementation for their bid of \$31,980.

Upon motion by Smith, seconded by Ferro and unanimously carried, the Board authorized up to \$7500 for the GraniteNet software interface and the following resolution, entitled:

RESOLUTION NO. 2019-13

**RESOLUTION OF THE BOARD OF DIRECTORS
OF VALLEY CENTER MUNICIPAL WATER DISTRICT
AUTHORIZING STAFF TO ENTER INTO A THREE-YEAR
ENTERPRISE LICENSING AGREEMENT FOR COMPUTERIZED
MAINTENANCE MANAGEMENT SYSTEM**

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was adopted by the following vote, to wit:

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

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

RESOLUTION NO. 2019-14

**RESOLUTION OF THE BOARD OF DIRECTORS
OF VALLEY CENTER MUNICIPAL WATER DISTRICT
AUTHORIZING STAFF TO ENTER INTO A CONTRACT FOR
THE CITYWORKS PHASE ONE IMPLEMENTATION**

was adopted by the following vote, to wit:

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

4. District Auditors:

The current three year contract with accounting firm Leaf & Cole, LLP has expired. Staff requested direction from the Board as to whether they should begin the Request for Proposal (RFP) process for a new audit firm or to extend the contract with Leaf & Cole.

Leaf & Cole has performed the District's annual audit since 2002-03. Staff finds their work to be of high quality and conducted with minimal disruption to the workflow. Under their workmanship, the District has received the Certificate of Achievement in Financial Reporting annually since 2002-03.

With the anticipated workload increases associated with the AMI meter conversion and the implementation of the new asset management system, staff recommended foregoing the lengthy RFP process at this time and extending the contract with Leaf & Cole for a three year period.

Upon motion by Haskell, seconded by Ferro and unanimously carried, the Board elected to extend Leaf & Cole's agreement for auditing services for 3 more years.

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GENERAL MANAGER'S AGENDA

5. Upper San Luis Rey Groundwater Basin Groundwater Sustainability Agency (GSA) Update:

A Memorandum of Understanding was finally executed by all parties in the Upper San Luis Rey Groundwater Basin Groundwater Sustainability Agency on March 22, 2019. This was a critical aspect to resolving the cost allocation issue for development of the Groundwater Sustainability Plan (GSP).

The GSP is estimated to cost \$2.0 million to develop. Grants from the State have been secured for \$1.2 million, leaving an estimated \$800,000 in local costs. By prior agreement, the San Luis Rey Indian Water Authority has committed to cost match up to \$400,000 of the local costs. In addition, the County of San Diego has made a commitment to contribute \$150,000. The final cost allocation among the Local Entities was agreed to and memorialized in a resolution as follows:

Tribes	\$400,000
County of San Diego	\$150,000
Yuima MWD	\$100,000
Pauma Valley CSD	\$100,000
Pauma MWD	\$12,500
Rainbow MWD	\$12,500
Upper San Luis Rey RCD	\$12,500
Valley Center MWD	<u>\$12,500</u>
Total	\$800,000

Yuima MWD, the GSA Administrating Agency, has now issued a Request for Proposals (RFP) to secure a consultant to begin data collection for developing the GSP. The deadline for approval of the GSP by the Department of Water Resources and the State Water Resources Control Board is January 1, 2022.

With these items in place, the MOU parties can now focus on developing the permanent governance and ongoing cost allocation structure for the USLRG GSA. The general consensus is that a Joint Powers Authority would be the most effective permanent governance structure to implement and administer the GSP. It will be critical to have this in place, along with voting and ongoing cost allocation methods established.

As a member of the Technical Committee, VCMWD staff will oversee the work of the administrating agency (Yuima MWD) and consultant in developing the GSP.

6. CPUC Order Instituting Rulemaking to Examine Electric Utility De-Energization of Power Lines in Dangerous Conditions:

At the direction of the Legislature, the California Public Utilities Commission (CPUC) initiated a rulemaking process regarding establishment of rules and regulations for electric utilities to follow in preemptively de-energizing electric power lines, under certain weather conditions, to minimize wildfire risk.

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Staff was made aware of the opportunity to participate in the two phase rulemaking process by Best, Best & Krieger who is representing a number of southern California water agencies. Staff authorized BB&K to submit initial Phase I comments which were based upon input from VCMWD and Padre Dam MWD. The comments emphasize the importance of early notification and communication from the power utility to the water agency. It points out that water agencies and their facilities are not just commercial or industrial facilities but are critical to firefighting and safety efforts. The comments also request that power utilities identify the location of critical water and wastewater facilities on their GIS database so that these facilities can be considered in any power shut-down plan or implementation.

Given the prevalence of preemptive power line de-energization in VCMWD's service area, and the potential impact of a formal rulemaking, staff will continue to participate in Phase II of the rulemaking process.

7. Strategic Plan Performance Measurement Results for Calendar Year 2018:

An updated Strategic Plan was adopted for FY 2019-2023 adding two new Performance Measurement Standards, "Solar Array Production" and a "Capital Improvement Projects Timeline." These new categories will be reported on for calendar year 2019. The following Performance Results for 2018 were highlighted by General Manager Arant:

- Customer Satisfaction – 100% "meets or exceeds" customer expectations.
- Unknown Water Loss – Goal met with 5.3% of total water sold.
- Discretionary Reserves – Goal met with 7.7 months of O&M expense.
- Return on Investments – Goal not met – Average yield was 2.201% which was 0.137 basis points below the benchmark.
- Total Commodity Cost – Goal met with M&I at 11% and TSAWR at 15%
- Pump Efficiency – Goal exceeded with 106% of design efficiency.
- Project Actual vs. Estimated Cost – Goal met at 3.4% under estimated costs.
- Water Service Reliability – Goal exceeded with 99.999% service reliability.
- Lost Time Accidents – Goal met with .06841% of total hours worked.
- Compliance with All State and Federal Regulations – Goal met.

8. ACWA-JPIA Retrospective Premium Adjustment Refund:

VCMWD received an ACWA-JPIA Retrospective Premium Adjustment refund check for \$34,385.92 reflecting excess deposit premiums paid in the various insurance programs. This refund was based upon ACWA-JPIA's assessment of loss risk versus the existing deposit premium on any open claims.

Based on the recent Board decision regarding the CalPERS unfunded liability, staff recommended that this refund check be viewed as "one-time income" and be used to reduce the CalPERS UAL for the Classic Employee Pool.

Upon motion by Ferro, seconded by Haskell and unanimously carried, the ACWA-JPIA Premium Adjustment Refund check will be used to reduce the CalPERS UAL.

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GENERAL COUNSEL

9. General Counsel de Sousa Mills reported on the following items:

- AB 1486 (Ting) requires special districts and other local agencies to offer the right of first refusal to affordable housing developers, schools, and parks before selling, leasing, or otherwise conveying their land. This process would have to be followed even if the property was totally unsuitable for any of these uses.
- AB 600 (Chu) would require, on or before 2021, city, county or special districts to develop an accessibility plan for drinking water, wastewater services, stormwater protection, and structural fire protection for communities identified (as disadvantaged) and include a timeline with steps to secure necessary infrastructure within five years.

BOARD OF DIRECTORS AGENDA

10. Annual Review of Board Member Per Diem:

Per Board direction, the Board of Directors' per diem is reviewed annually for consideration of modification. Current law provides that the Board may increase its per diem amount by 5% for each calendar year since the last adjustment. The Board's last adjustment of the per diem was on February 16, 1993.

The Board elected to retain its current \$100.00 per meeting per diem compensation.

CLOSED SESSION

No closed session was called.

ADJOURNMENT

11. Upon motion by Haskell, seconded by Smith and unanimously carried, the regular meeting of the Board of Directors was adjourned at 3:50 p.m.

ATTEST:

ATTEST:

President

Secretary

Approved at a regular meeting of the Board of Directors on April 15, 2019