

VALLEY CENTER MUNICIPAL WATER DISTRICT

Regular Board Meeting
Monday, May 18, 2020
Time: 2:00 P.M.
Place: Board Room
29300 Valley Center Road
Valley Center, CA 92082

Due to the COVID-19 State of Emergency and pursuant to waivers of certain Brown Act provisions under the Governor's Executive Orders, the Board Meeting was conducted via Web Conference and Live Stream.

The Valley Center Municipal Water District Board of Directors' meeting was called to order by President Polito at 2:00 P.M.

President Polito established for the record that all Directors were able to hear the proceedings, that all members of the Board were able to hear the Directors participating by teleconference clearly, and that all votes would be taken by a roll call vote pursuant to the provisions of the Brown Act. President Polito further established for the record the process by which public comments would be received by the Board; this process was also described in the Agenda for the meeting. It was announced that no public comments had been received on any item for this meeting.

ROLL CALL

Board member present was President Polito with Directors Haskell, Ferro, Holtz, Smith and General Counsel Norvell teleconferencing. Staff members present were: General Manager Arant, District Engineer Grabbe, Director of Operations Hoyle, Director of Finance and Administration Pugh, Director of IT Pilve, Manager of Accounting Velasquez, Project Manager Carrillo and Executive Assistant Johnson. Spectators present via teleconference were Nora O'Brien – BBK, Scott Koppel – Koppel & Gruber Public Finance, and Kerry Garza – Touchstone Communities.

CONSENT CALENDAR

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

- Minutes of the Board meeting held May 4, 2020
- Audit demand check numbers 157286 through 157396 for April 24, 2020 through May 7, 2020 and wire disbursements for April 2020
- Treasurer's Report for month ending March 31, 2020

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ACTION AGENDA

2. Adoption of Amendment No. 4 to the South Village Master Plan Report:

An amendment to the South Village Master Plan Report to modify the Equivalent Dwelling Unit (EDU) flow capacity requirements from 200 gpd/EDU to 175 gpd/EDU and identifying facility requirements and capacity limits for a phased buildout of the service area was presented by District Engineer Grabbe.

Staff's recommendation to modify the flow capacity is based on actual flow conditions seen over several years of operation of the WVRWRF. The lower wastewater flow rates are a direct result of changing water use habits. With the re-rating of the EDU capacity to 175 gpd per EDU, the available capacity is sufficient for the additional 152 EDUs being allocated to Touchstone.

Future expansion phases were reviewed identifying capacity increases, facility and seasonal storage requirements for each phase. No additional CEQA evaluation is required for the proposed amendment.

Further reductions in flow requirements could be possible in the future once the State's Water Use Efficiency Regulations are implemented.

Staff recommended adoption of Resolution No. 2020-13, approving Amendment No. 4 to the South Village Master Plan Report.

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

RESOLUTION NO. 2020-13

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE VALLEY CENTER MUNICIPAL WATER DISTRICT
AMENDING THE SOUTH VILLAGE MASTER PLAN REPORT FOR THE
SOUTH VILLAGE WATER RECLAMATION PROJECT**

was adopted by the following vote, to wit:

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

PUBLIC HEARING

3. Establishment of Community Facilities District No. 2020-1, Park Circle East/West Development and Approval to Incur a Bonded Indebtedness:

The Community Facilities District (CFD) formation is being requested to allocate sewer capacity costs on a square foot basis for dwellings within the CFD and to provide financial security for the additional capacity needed for the proposed development

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reported District Engineer Grabbe. Since the special tax revenues were not sufficient to provide security for all the required facilities, additional security was required of the Developers in the form of a CFD Financing Agreement.

Following review of the terms and conditions of the CFD Financing Agreement, staff recommended the Board adopt the following:

- Resolution 2020-14, forming and establishing CFD 2020-1; authorizing the levy of special taxes on the CFD, and approving the form of the CFD Financing Agreement;
- Resolution 2020-15, determining the necessity to incur a bonded indebtedness for the CFD; submitting propositions to qualified electors of the CFD to authorize the levy of a special tax; and to establish an appropriations limit for the CFD;
- Resolution 2020-16, declaring the results of the CFD special election; and finally,
- Ordinance No. 2020-03, authorizing the levy of a special tax on CFD 2020-1.

The public hearing was opened by President Polito at 3:01 p.m. No protests or comments were received. President Polito closed the public hearing at 3:02 p.m.

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

RESOLUTION NO. 2020-14

RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY CENTER MUNICIPAL WATER DISTRICT FORMING AND ESTABLISHING COMMUNITY FACILITIES DISTRICT NO. 2020-1 (PARK CIRCLE EAST/WEST) OF THE VCMWD AND AUTHORIZING SUBMITTAL OF THE LEVEL OF SPECIAL TAXES WITHIN SUCH CFD TO THE QUALIFIED ELECTORS OF SUCH COMMUNITY FACILITIES DISTRICT AND APPROVING THE FORM OF A CFD FINANCING AGREEMENT

was adopted by the following vote, to wit:

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

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

RESOLUTION NO. 2020-15

RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY CENTER MUNICIPAL WATER DISTRICT, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2020-1 (PARK CIRCLE EAST/WEST) DEEMING IT A NECESSITY TO INCUR A BONDED INDEBTEDNESS FOR SUCH CFD, SUBMITTING TO THE QUALIFIED ELECTORS OF SUCH CFD PROPOSITIONS TO AUTHORIZE THE LEVY OF A SPECIAL TAX THEREIN TO INCUR A BONDED INDEBTEDNESS OF SUCH CFD AND TO ESTABLISH AN APPROPRIATIONS LIMIT FOR SUCH CFD, AND GIVING NOTICE THEREON

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was adopted by the following vote, to wit:

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

Ballots of the special election were canvassed by the Board Secretary. Two ballots were received representing a total of 96 votes. Propositions A, B and C all passed unanimously.

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

RESOLUTION NO. 2020-16

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
VALLEY CENTER MUNICIPAL WATER DISTRICT, ACTING IN ITS CAPACITY
AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT
NO. 2020-1 (PARK CIRCLE EAST/WEST) OF THE VCMWD
DECLARING THE RESULTS OF A SPECIAL ELECTION
IN SUCH COMMUNITY FACILITIES DISTRICT**

was adopted by the following vote, to wit:

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

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

ORDINANCE NO. 2020-03

**ORDINANCE OF THE BOARD OF DIRECTORS OF THE
VALLEY CENTER MUNICIPAL WATER DISTRICT, ACTING IN ITS
CAPACITY AS THE LEGISLATIVE BODY OF CFD NO. 2020-1
(PARK CIRCLE EAST/WEST) OF THE VCMWD, AUTHORIZING THE
LEVY OF A SPECIAL TAX IN SUCH CFD**

was adopted by the following vote, to wit:

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

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ACTION AGENDA (Cont'd)

4. Adoption of Administrative Code Article 35 – Records Retention Policy:

A new Article 35, Records Retention Policy, was presented by General Manager Arant to establish uniform record retention requirements and ensure that all departments are operating in compliance with applicable state and federal laws. The policy also provides the General Manager with legal authority to dispose of obsolete records and oversee the destruction of paper and electronic records.

Upon motion by Smith, seconded by Haskell and unanimously carried with the stipulation that the Policy be reviewed every three years, the following ordinance, entitled:

ORDINANCE NO. 2020-04

**ORDINANCE OF THE BOARD OF DIRECTORS
OF VALLEY CENTER MUNICIPAL WATER DISTRICT
AMENDING THE ADMINISTRATIVE CODE TO ADD ARTICLE 35,
RECORDS RETENTION POLICY**

was adopted by the following vote, to wit:

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

INFORMATIONAL ITEMS:

5. Financial Impacts of the COVID-19 Pandemic on the District:

A summary of the financial impacts of the COVID-19 Pandemic on the District was provided by Director of Finance Pugh. In mid-March, the Governor issued an Executive Order protecting consumers against utility service disconnections and late fees. Since that time, staff has been tracking outstanding balances and unbilled revenues from lock off fees and delinquency charges and comparing them to those in 2019.

In April 2019, outstanding account balances between 30 and 60 days comprised 3.82% of the total balance; whereas the outstanding account balances in the same category in 2020 represent 11.54%. In addition, staff estimates the District has lost \$42,255 in revenue from delinquent accounts and lost Flow Reduction/Lock-Off Fees since mid-March.

Staff will continue to monitor and report the results to the Board on a regular basis. The financial uncertainty is being reflected in portions of the FY 2020-21 Budget being developed.

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6. Miscellaneous:

The following miscellaneous items were discussed:

- Status Report for March was presented for review.
- Pandemic reopening guidelines, even though the District never closed, include taking employee temperatures before entering the workplace.
- The COVID-19 hybrid work week continues to work effectively.

GENERAL COUNSEL AGENDA

7. General Counsel Norvell reported that BBK is continuing to monitor the developments and orders from the state and county that may affect District operations.

ADJOURNMENT

8. Upon motion by Ferro, seconded by Haskell and unanimously carried, the regular meeting of the Board of Directors was adjourned at 3:45 p.m.

ATTEST:

President

ATTEST:

Secretary

Approved at a regular meeting of the Board of Directors on June 1, 2020