

# VALLEY CENTER MUNICIPAL WATER DISTRICT

Regular Board Meeting  
Monday, August 17, 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 Steam.

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 for this meeting.

## **ROLL CALL**

Board members present were President Polito, Vice President Haskell, Directors Ferro and Smith, with Director Holtz and General Counsel de Sousa teleconferencing. Staff members present were: General Manager Arant, District Engineer Grabbe, Director of IT Pilve, Director of Finance Pugh, Director of Operations Hoyle, Construction/Maintenance Supervisor Lovelady and Executive Assistant Johnson. Teleconferencing presenters included: Dan Denham, Kelly Rodgers and Pierce Rosnan – SDCWA, Kevin Davis – Black & Veatch, Don MacFarlane – DLM Engineering, and Doug Gillingham – Gillingham Water.

## **CONSENT CALENDAR**

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

- Minutes of the Board meeting held August 3, 2020
- Audit demand check numbers 158014 through 158140 for July 24, 2020 through August 6, 2020 and wire disbursements for July 2020

## **ACTION AGENDA**

**2. SDCWA Regional Conveyance Study Presentation:**

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The San Diego County Water Authority has undertaken a Regional Conveyance Study (RCS) to build a link from the west end of the All American Canal to the San Diego Region. This 16 ft. pipeline would bring the IID Transfer and Conserved Canal Lining water, purchased and owned by SDCWA, into its service area.

A presentation by the SDCWA on Phase A of the project was opened by Dan Denham, Deputy General Manager. He conveyed that Phase A was to study the engineering and O&M feasibility of the project which focused on three alternative alignments to provide transportation of the water. The current transportation agreement with MWD expires in 2047. Previous studies focused on single use facilities whereas this study looked at multi-use benefits and partnership opportunities along the conveyance path.

Black and Veatch was contracted to provide the technical feasibility analysis of the three alignments, the costs associated with building it, and a search for any fatal flaws. Kevin Davis reported that Alignment 5C, which ran along the Mexican border, was eliminated from review for not being economically competitive with the other two proposed alignments.

Alternative 3A is a 46.5 mile tunnel from the All American Canal north to the Salton Sea, then west under Anza Borrego and Valley Center to the Twin Oaks Treatment Plant. Capital costs are estimated at \$4.95B with annual O&M and replacement costs at \$143M.

Alternative 5A is a 41.4 mile tunnel from the All American Canal north towards El Centro, then west through the mountains to Lake San Vicente. Capital costs are estimated at \$4.96B with annual O&M and replacement costs at \$149M.

Based on the SDCWA conservative assumptions, the majority of expenses would fall between years 2040 to 2055. The first year of savings would not occur until roughly 2063, with the first year return on investment occurring sometime around 2084.

Phase B would focus on stakeholder outreach, economic sensitivity and probability assessments, and partnership development. The SDCWA Board will vote on moving forward with Phase B at their meeting on August 27, 2020.

Following completion of the Phase A RCS by Black & Veatch, 18 of the 24 SDCWA Member Agencies, including VCMWD, elected to pool resources and hire DLM Engineering/Gillingham Water to do an independent feasibility review of the Phase A Report findings. Don MacFarlane reported that the engineering reports and capital costs appear reasonable, however the repair and replacement costs may be low. Doug Gillingham reported that the project is not cost effective over standard periods of economic analysis and presents intergenerational transfer of costs and benefits. It is also dependent on assumptions of differential price escalations that are implausible and, thus, makes this a risky investment.

General Manager Arant, as the District's representative on the SDCWA Board of Directors, asked for input from the VCMWD Board concerning the vote to move forward with Phase B of the RCS. The consensus of the Board was that the project is not cost effective and the study should not be continued to Phase B.

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**INFORMATIONAL ITEMS**

**Miscellaneous:**

3. The following miscellaneous items were reported by General Manager Arant:
- There will be a shutdown on the 1<sup>st</sup> Aqueduct from 9/21 through 9/25 to inspect the Rainbow tunnel for needed repairs.
  - The 1<sup>st</sup> Aqueduct will be shut down from 11/1 through 11/10 to remove the bulkheads installed previously for the rehab project.
  - Power curtailments have been implemented by SDG&E due to the current heat wave. Districts have been asked to use their emergency power generators to help balance the demand. Governor Newsom has issued Executive Order N74-20, allowing for the use of Diesel Gen-Sets through 11:59 pm Thursday, 8/20, as an "Emergency Use" under APCD Rules.
  - Brian Lovelady was introduced as the new Director of Operations/Facilities upon the retirement of Greg Hoyle at the end of the year.

**ADJOURNMENT**

4. **Upon motion by Smith, seconded by Haskell and unanimously carried, the regular meeting of the Board of Directors was adjourned at 4:37 p.m.**

**ATTEST:**

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**President**

**ATTEST:**

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**Secretary**

**Approved at a regular meeting of the Board of Directors on September 21, 2020**