

VALLEY CENTER MUNICIPAL WATER DISTRICT

Regular Board Meeting

Monday, April 19, 2021 - 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 VCMWD 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.

ROLL CALL

Board Members Present: President Polito, Vice President Ferro (*arrived at 2:03 p.m.*), Director Haskell, and Director Smith; with Director Holtz teleconferencing.

Board Members Absent: None.

Staff Members Present: General Manager Arant, District Engineer Grabbe, Director of Finance Pugh, Director of IT Pilve, Senior Engineer Lyuber, Manager of Accounting Velasquez, and Executive Assistant/Board Secretary Peraino; with Director of Operations and Facilities Lovelady, Safety and Regulatory Compliance Supervisor Olson, General Counsel de Sousa and Jacqueline Howells (HGR) teleconferencing.

Other Attendees: Alex Brown with WaterSmart.

PUBLIC COMMENTS

President Polito established for the record the process by which public comments are 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.

CONSENT CALENDAR

Action: Upon motion by Smith, seconded by Ferro – motion carried 4-0 (*noting Director Holtz's brief absence during the vote due to technical difficulties*), the following consent calendar items were approved:

1. Minutes of the Board meeting held April 5, 2021.
2. Audit demands check numbers 159869 through 159974 for March 26, 2021 through April 8, 2021 and wire disbursements for March 1-31, 2021.
3. Treasurer's Report for month ending February 28, 2021.
4. Quarterly Expense Reimbursement Disclosures (ending March 31, 2021) per GC §53065.5
5. Adoption of Resolution No. 2021-12 Accepting 2021 Revisions to Local Guidelines for Implementing the California Environmental Quality Act.

PUBLIC HEARING

6. Approval of Ordinance No. 2021-02 Amending the Administrative Code Adopting Proposed Revisions to Miscellaneous Water Meter Fees and Charges, Effective May 24, 2021:

A public hearing to receive written and oral input on the adoption of Ordinance No 2021-02, regarding proposed revisions to Miscellaneous Water Meter Fees and Charges, was opened by President Polito at 2:08 p.m. Senior Engineer Lyuber presented the proposed amendments to the District Administrative Code.

- Connection of Service (Meter Installation Charges) by the modification of Section 160.4(a);
- Backflow Prevention Device Fees by modification of Section 160.12(d);
- Pressure Reducing Valve Charges by modification of Section 160.20(c); and
- San Diego County's Project Facility Availability and Comment Letters by modification of Section 160.22 and 171.10.

Senior Engineer Lyuber summarized the results of this year's evaluation and the proposed increases in the fees and charges. To ensure that the District's various water meter connection fees and charges accurately reflect the actual cost of service, staff evaluates the cost of the service on an annual basis and recommends adjustments to the rates, if warranted. As in prior years, the evaluation entailed comparing current material and labor costs to those that were used last year to establish the fees currently in effect; increases were recommended based on this difference.

The proposed Administrative Code amendments will be effective Monday, May 24, 2021 to provide for a 30-day public protest period pursuant to Administration Code Section 30.12(a). The public hearing closed at 2:11 p.m.

Action: Upon motion by Smith, seconded by Haskell and unanimously carried, approval of Proposed Revisions to Miscellaneous Water Meter Fees and Charges, effective May 24, 2021, and the following Ordinance, entitled:

ORDINANCE NO. 2021-02

**ORDINANCE OF THE BOARD OF DIRECTORS OF
VALLEY CENTER MUNICIPAL WATER DISTRICT
AMENDING THE ADMINISTRATIVE CODE TO PROVIDE FOR
CHANGES IN THE METER CONNECTION CHARGES**

was adopted by the following vote, to wit:

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

ACTION AGENDA

7. Appointment of New ACWA–JPIA Board Representative:

With a Minutes Action, the Board Approved the Appointment of Director Oliver Smith as the Valley Center Municipal Water District Representative to the Association of California Water Agencies–Joint Powers Insurance Authority Board of Directors (ACWA–JPIA), replacing Director Randy Haskell.

Action: Upon motion from Ferro, seconded by Haskell, and unanimously carried, the Board appointed Director Oliver Smith as the Valley Center Municipal Water District Representative to the Association of California Water Agencies–Joint Powers Insurance Authority (ACWA–JPIA) Board of Directors, effective with today's action, and directed staff to forward the appropriate documentation to the ACWA–JPIA; as well as complete any necessary FPPC filings.

INFORMATIONAL ITEMS

8. E-Business Presentation WaterSmart Software Contract Review:

An informational item was presented by Manager of Accounting Velasquez to provide the Board an opportunity to review the software contract being considered. To date, District staff has converted nearly 7,800 meters from the old AMR technology to the new AMI technology. Approximately 2,300 meters remain to be converted, with expected completion in Fiscal Year 2021-22. The new AMI technology allows for access to real time usage information and the data will be updated four times per day at 6:00 a.m., 12:00 p.m., 6:00 p.m. and 10:00 p.m. An online account software is needed in order to provide customers access to real time meter data; water consumption trends, monthly and yearly consumption for compliance with future water use efficiency requirements; as well as automated electronic leak alerts.

Among the criteria evaluated by staff, the following features were of most significance: integration capabilities with our existing technology; single sign on for customers; mobile device capability; and ease of use. District staff researched local water agencies that are in varying stages of their AMI conversions. The two agencies that staff requested live demonstrations from were selected because they also use the same financial software, Springbrook, for utility billing. Other local agencies that currently use WaterSmart are Rincon Del Diablo, City of Oceanside, and City of Escondido.

Manager of Accounting Velasquez outlined the multiple vendor agreements with the District, each playing an integral role in providing data and information to VCMWD customers. Integration capabilities with existing software and vendors is crucial and is needed for the following parties:

- *Springbrook* is the current financial software where the utility billing is processed and billing and payment history is stored.
- *Aquametric* is the vendor through which all of the new AMI meters were purchased and also has the rights to Sensus Analytics which records and stores the real-time usage data by meter.
- *Infosend* is the current vendor that generates and mails the water bills.

**Valley Center Municipal Water District
Board of Directors' Meeting**

- *Merchant Transact and/or Paymentus* are third-party online payment processors that process the electronic payments made online.
- *Cityworks* is the current asset management software where operations and facilities staff, in the future, will receive service requests generated directly by customers online. Provides customers the option of submitting a customer service request electronically therefore eliminating the need for a phone call to the office.

A presentation on the customer engagement and data analytics software was given by Alex Brown with WaterSmart; including a review of the features accessible to customers and those VCMWD staff would have access to.

Staff determined that WaterSmart best meets the current and future needs of the District. In all categories of the evaluation criteria, WaterSmart consistently exceeded expectations. Staff is planning to request funds in the coming FY 2021/22 Capital Budget.

Action: Informational item only, no action taken.

9. Park Circle Project, Orchard Run Lift Station Construction Schedule and CFD No. 2020-1 Funding Update:

District Engineer Grabbe provided the Board with a comprehensive update on the developer's progress and projected build out schedule of the Park Circle Project, the status of the Orchard Run Lift Station Project, including development buildout projections, construction schedule and funding. The focus of the presentation was on how the buildout of the project affects the construction schedule of the Orchard Run Lift Station and how construction of the facility is proposed to be financed.

The constructed residential units in the Park Circle subdivision and the Bear Peak subdivision are served by an interim lift station, constructed by the developer on the District's property south of the community center. The interim lift station is designed for 250 EDUs, with the ability to expand to 350 EDUs by the developer. District Engineer Grabbe expressed, that to ensure that the Orchard Run Lift Station is on line and operating before the capacity of the interim facility is exceeded - construction of the permanent Orchard Run Lift Station needs to begin soon. Estimated construction cost is \$3M with an estimated 330 days construction time. Funding is proposed through a combination of developer funding and issuance of an estimated \$4-5M series of special tax bonds, the first of two series anticipated to be issued by Community Facilities District No. 2020-1 (Park Circle East/West) (CFD No. 2020-1).

Action: Informational item only, no action taken.

10. Update on the Financial Impacts of COVID:

An update on the financial impacts of the COVID-19 Pandemic was provided Director of Finance and Administration Pugh. The sales volume for March 2021 was 723.2-acre feet with outstanding balances of \$2,315,293 representing 7,171 accounts. March 2020 had sales of 670.2-acre feet with total outstanding balances of \$1,523,284 with 5,651 accounts. March 2021 had total balances greater than 30 days was \$447,793, down \$175,453 from February 2021. Even with higher sales volume in March over February, total outstanding balances are only up \$39,500.

**Valley Center Municipal Water District
Board of Directors' Meeting**

Director of Finance and Administration Pugh stated staff has continued efforts to watch, contact, and ultimately send lien letters to VCMWD customers is working to reduce outstanding balances. In March 2021, 28 Lien Notices were mailed, with 22 of the accounts already paid off by the start of the Board Meeting on April 19th (leaving only 6 unpaid).

Staff is monitoring County, State and Federal developments which could result in funding allocations to pay customer accounts. Director of Finance and Administration Pugh mentioned the County's Emergency Rental Assistance Program (ERAP), noting no payments had been issued on behalf of the VCMWD customers from the Program as of April 19th.

Action: No action required, informational item only. Staff will continue to monitor and report the results to the Board on a regular basis.

GENERAL MANAGER'S AGENDA

11. Miscellaneous:

The following miscellaneous items were reported by General Manager Arant:

- Highlights from the February 2021 Monthly Status Report were reviewed.
 - Residential Gallons Per Capita Per Day (GPCD) for February 2021 was 80 GPCD, down 42.8% from February 2015's 140 GPCD.
 - Water Deliveries were down 14.8% with only 834.80 AF in February 2021, compared to 979.56 AF in February 2020; but projected 17,400 AF for Fiscal Year 2020-21, an increase of 2.4% over the budgeted 17,000 AF.
 - MWD / SDCWA Agricultural Discounts passed through to VCMWD customers since July 1994 is equal to \$143,162,859.98.
- A review of Water Supply Conditions in California and the San Diego region was discussed, General Manager Arant noted the following:
 - Despite the 2nd driest season on record in California, MWD / SDCWA will be able to meet all service water demands for the coming year.
 - MWD / SDCWA rate payers have contributed billions since the 1990-91 drought, with funds successfully being used to increase the level of supply reliability for the San Diego region through such projects as; surface and groundwater storage, recycling projects, as well as ocean and brackish groundwater desalination.

Action: No action required, informational item only.

DISTRICT GENERAL COUNSEL'S AGENDA

General Counsel de Sousa reported on the following California Assembly and Senate Bills being introduced:

- Assembly Bill 703 – Would allow for virtual meetings indefinitely and permanently removes the existing Brown Act rules limiting virtual meetings or requiring public attendance at various physical locations.

**Valley Center Municipal Water District
Board of Directors' Meeting**

- Assembly Bill 361 – Would allow virtual meetings with newer, streamlined procedures, but only if the purpose of the meeting is to declare a local emergency or if the meeting occurs during a period of a declared local emergency.
- AB339 – The additions would mandate virtual public access by calling in and by Internet, and require that local governments provide closed captioning (on-screen text for those who cannot hear audio) for virtual participants. Lastly, it would also add new provisions to the Brown Act requiring public agencies to provide live translation services during all meetings, including real-time translators during all meetings and a translation of all agendas and meeting instructions into all languages spoken by 5 percent or more of the jurisdiction's population.
- SB323 – Would establish a 120-day statute of limitations for challenges to water and sewer service rates.

Action: No action required, informational item only.

BOARD OF DIRECTOR'S REPORTS ON MEETINGS ATTENDED (AB1234)

None.

BOARD OF DIRECTOR'S AGENDA

12. Adoption of Ordinance No. 2021-03, Changing of Frequency and Placement of the Board Member Per Diem Policy in the Administrative Code

General Manager Arant briefly reviewed the presentation and discussion from the April 5, 2021 Board Meeting, when the request to memorialize the directive for and frequency by which the survey of water and wastewater agency Board Per Diem levels is completed and reported to the Board from annually to every odd year beginning in 2023.

In reviewing the Administrative Code, the provisions for "Board Member Compensation" (Sec. 110.7) and access to "Director's Benefits" (Sec. 110.8) were contained within Article 110, "Payment of Expenses Incurred on District Business". Staff determined these two provisions would be more appropriately contained in Article 30, "Board Organization" and recommended the relocation of Sections 110.7 and 110.8 to Sections 30.17 and 30.18 in the District Administrative Code.

Director Smith requested the survey of water and wastewater agency Board Per Diem levels include a five-year history, staff noted the request and will include the previous history when presenting the survey.

Action: Upon motion by Smith, seconded by Haskell and unanimously carried, the Board approved changing the frequency and placement of the Board Per Diem Policy in the District Administrative Code through Amendment of Article 110 "Payment of Expenses Incurred on District Business" and Article 30, "Organization of Board of Directors" (effective May 19, 2021), with Adoption of the following Ordinance, entitled:

ORDINANCE NO. 2021-03

ORDINANCE OF THE BOARD OF DIRECTORS OF
VALLEY CENTER MUNICIPAL WATER DISTRICT MEMORIALIZING
IN THE DISTRICT'S ADMINISTRATIVE CODE, THE DIRECTIVE FOR
AND FREQUENCY BY WHICH THE SURVEY OF WATER AND WASTEWATER
AGENCY BOARD PER DIEM LEVELS IS COMPLETED AND REPORTED
TO THE BOARD AND AMENDING ADMINISTRATIVE CODE ARTICLE 110,
PAYMENT OF EXPENSES INCURRED ON DISTRICT BUSINESS,
AND ARTICLE 30, ORGANIZATION OF BOARD OF DIRECTORS

was adopted by the following vote, to wit:

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

CLOSED SESSION

None.

ADJOURNMENT

Action: Upon motion by Smith, seconded by Ferro, and unanimously carried, the regular meeting of the Board of Directors was adjourned at 4:08 p.m.

ATTEST:

Robert A. Polito, *President*

ATTEST:

Kirsten N. Peraino, *Secretary*

Approved at a regular meeting of the Board of Directors on May 3, 2021