

## VALLEY CENTER MUNICIPAL WATER DISTRICT

Regular Board Meeting

**Monday, May 17, 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, 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, Project Manager Sandoval, IT Specialist Day, and Executive Assistant/Board Secretary Peraino; with Director of Operations and Facilities Lovelady, Manager of Accounting Velasquez Safety and Regulatory Compliance Supervisor Olson, General Counsel de Sousa and Jacqueline Howells (HGR) teleconferencing.

**Other Attendees:** Nora O'Brien, *Best Best & Krieger, LLC* and Adam Bauer, *Fieldman, Rolapp and Associates*.

### **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 **Ferro**, seconded by **Smith**, and **unanimously carried**; the following consent calendar items were approved:

1. **Minutes of the Board meeting held May 3, 2021.**
2. **Audit demands check numbers 160076 – 160162 for April 23, 2021 – May 6, 2021 and Wire Disbursements for April 1 – 30, 2021.**

**ACTION AGENDA**

**3. Approval for Selection of Finance Team Series 1 Bond Sale – Community Facilities District (CFD) 2020-1 (Park Circle East/West):**

District Engineer Grabbe presented recommendations on moving forward with the Series 1 Bond Sale for CFD No. 2020-1, and on the selection of the Finance Team Consultants. An update on the Park Circle East/West (Touchstone) home construction schedule and reviewed the estimated cost, was given. The estimated cost of constructing the Orchard Run Lift Station is \$3.85M and includes construction, project management, construction management, inspection and contingencies. Complete design and bid for the project will be June thru August 2021; bid award in September 2021; anticipated construction (10 months) to begin in October 2021; with expected completion of the project in August 2022.

An overview was provided by District Engineer Grabbe of both the Deposit and Reimbursement Agreement, as well as the CFD Financing Agreement with Touchstone (to provide for reimbursement of developer advances) and stated the proceeds of bonds issued by CFD No. 2020-1 will fund the construction of the Orchard Run Lift Station. Grabbe further stated that the construction of the Orchard Run Lift Station will need to begin prior to the Community Facilities District (CFD) Bond proceeds are available, thus Touchstone will have to provide funding for the Orchard Run Lift Station construction until the Bond proceeds are available.

Lastly, District Engineer Grabbe presented a list of proposed consultants for services needed for the 2021 Special Tax Bonds: Fieldman, Rolapp & Associates, Inc. as the Project's Municipal Advisor, Best Best & Krieger (BBK) for the Bond and Disclosure Counsel, Koppel & Gruber Public Finance as the Special Tax Consultant, Integra Realty Resources as the Appraiser and Stifel, Nicolaus & Company, Incorporated as the Underwriter for the Project.

Two consultants working on the project were available for questions via teleconference: Nora O'Brien, *Best Best & Krieger, LLC* and Adam Bauer, *Fieldman, Rolapp and Associates; but were not called on for questions or comments.*

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

**RESOLUTION NO. 2021-15**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY CENTER MUNICIPAL WATER DISTRICT, ACTING FOR ITSELF AND AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2020-1 (PARK CIRCLE EAST/WEST) OF THE VALLEY CENTER MUNICIPAL WATER DISTRICT APPROVING THE ENGAGEMENT OF CERTAIN CONSULTANTS IN CONNECTION WITH THE ISSUANCE OF SPECIAL TAX BONDS OF SUCH COMMUNITY FACILITIES DISTRICT**

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**was adopted by the following vote, to wit:**

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

**Action:** Board approved Resolution No. 2021-15, authorizing staff to proceed with initial work for issuance of special tax bonds, and authorizing the General Manager to Enter into Consulting Agreements for Services needed for the 2021 Special Tax Bonds.

**4. Approval to Award the Construction Contract for the Oak Glen Reservoir Demolition Project [Project No. 01-06-78-51309] to BTS Equipment Unlimited Inc:**

Project Manager Sandoval gave an overview of the construction contract for the demolition of the Oak Glen Reservoir, as well as pictures of the 0.42 Million Gallon (MG) Oak Glen Reservoir. The bolted steel reservoir was constructed in 1965. In 2010, the reservoir was taken offline due to signs of structural damage and decreasing water demands.

The Project's Scope of Work was discussed by Project Manager Sandoval, which included the following:

- Demolish & dispose 0.42 MG Oak Glen Reservoir;
- Excavate and dispose sand and gravel below reservoir;
- Import gravel for area below reservoir;
- Remove above/below grade inlet and outlet piping and valves;
- Remove and dispose existing asphalt driveway;
- Widen and install new AC driveway; *and*
- Install two 8-foot wide chain link swing gates and posts.

The Project was included in the Fiscal Year 2020-21 budget at a total cost of \$150,000 (included design, construction and contingencies). In April 2021, staff prepared the bid documents and released the project for bid with a submission deadline of May 6, 2021. Initially, twenty firms were interested in bidding the project, however only ten firms submitted bids – due to either busy schedules or lack of pricing received from subcontractors by the May 6th deadline. Staff confirmed the lowest bid from BTS Equipment Unlimited Inc. in the amount of \$52,777; approximately 16% less than the second bid and 50% less than the engineer's estimate (highest bid was \$125,907.91).

Lastly, Project Manager Sandoval reviewed the Project schedule:

- Notice of Award on May 17, 2021;
- Process Construction Contract May 18 - June 11, 2021;
- Notice to Proceed on June 21, 2021;
- Construction is an estimated 30 Calendar Days; *and*
- Completion is anticipated on July 21, 2021

Upon motion from **Smith**, seconded by **Ferro**, and unanimously carried, the following Resolution, entitled:

**RESOLUTION NO. 2021-13**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
VALLEY CENTER MUNICIPAL WATER DISTRICT  
TO AWARD THE CONTRACT FOR THE OAK GLEN RESERVOIR  
DEMOLITION PROJECT [PROJECT NO. 01-06-78-51309]**

was adopted by the following vote, to wit:

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

**Action:** Board approved Resolution No. 2021-13, awarding the construction contract for the Oak Glen Reservoir Demolition Project to BTS Equipment Unlimited Inc., in the amount of \$52,777.

**INFORMATIONAL ITEMS**

**5. COVID Financial Update**

An update on the financial impacts of the COVID-19 Pandemic was provided Director of Finance and Administration Pugh. The sales volume for April 2021 was 1163.5-acre feet with outstanding balances of \$3,201,323 representing 7540 accounts. April 2020 had sales of 266.5-acre feet with total outstanding balances of \$1,256,396 with 7181 accounts. April 2021 had total balances greater than 30 days was \$464,423, down slightly \$16,631 from March 2021. Even with higher sales volume in April over March, total outstanding balances are only up \$886,030.

Director of Finance and Administration Pugh stated staff has continued efforts to monitor, contact, and ultimately send lien letters to VCMWD customers has been effective in reducing outstanding balances. In April 2021, 13 "Lien Notices" were mailed, with 16 of the 33 properties liened, having already paid off by the start of the Board Meeting on May 17<sup>th</sup> (leaving 17 unpaid).

Director of Finance and Administration Pugh gave an update on recent County, State and Federal relief developments:

- **County:** The San Diego County Emergency Rental Assistance Program (noting no payments had been issued on behalf of the VCMWD customers from the Program as of May 17<sup>th</sup>);
- **State:** The "California Comeback Plan" from Governor Newsom; and
- **Federal:** The United States Treasury released guidance on COVID-19 state and local Fiscal Recovery Funds authorized by the American Rescue Plan Act of 2021.

**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**

**6. Nomination of Gary T. Arant for the ACWA Region 10 Position of Vice Chair (or Board Member) for the Calendar Year 2022-23 Term:**

General Manager Arant reviewed the ACWA Region 10 Call for Candidates for the 2022-23 Term (calendar year). A brief history of General Manager Arant's experience was given, which included: his recent selection to fill the partial term created by vacancy; as well as, his past seventeen-year history serving on the same Region 10 Board.

Upon motion from **Smith**, seconded by **Haskell**, and unanimously carried, the following Resolution, entitled:

**RESOLUTION NO. 2021-14**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
VALLEY CENTER MUNICIPAL WATER DISTRICT  
PLACING IN NOMINATION GARY T. ARANT  
AS A MEMBER OF THE ASSOCIATION OF CALIFORNIA WATER  
AGENCIES REGION 10 VICE-CHAIR / BOARD MEMBER**

was adopted by the following vote, to wit:

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

**Action:** Board approved Resolution No. 2021-14, placing into nomination Gary T. Arant for the offices of ACWA Region 10 Board of Directors Vice Chair or Board Member.

**7. General Information:**

The following general informational items were reported by General Manager Arant:

- Federal funding applications were compiled and coordinated with the Congressional Offices by HGR and were submitted to both Congressional Offices of Issa and Feinstein; however, Congressman Issa decided not to move any projects forward this year and we have yet to hear back from the Offices of Feinstein. The following projects were advocated for:
  - Lilac Road (pipeline upsize and replacement);
  - Gordon Hill (pipeline replacement); and
  - Oat Hill Pump Station Discharge Line Replacement Project.
- Corporate and Lower Moosa Canyon Solar Array Project update.
- A review of the District's up-to-date multilayer protection was given after recent events like the Colonial Pipeline ransomware attack.
- Highlights from the March 2021 Status Report were given.

**Action:** No action required, informational item only.

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**DISTRICT GENERAL COUNSEL'S AGENDA**

*None.*

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

- Director Smith reported on his attendance at the ACWA-JPIA Energy Committee Meeting (May 10, 2021).
- Vice President Ferro reported on his attendance at the 2021 Virtual ACWA Spring Conference (May 12-13, 2021).

**BOARD OF DIRECTOR'S AGENDA**

*None.*

**CLOSED SESSION**

*None.*

**ADJOURNMENT**

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

**ATTEST:**

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**Robert A. Polito, President**

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**Kirsten N. Peraino, Secretary**