

VALLEY CENTER MUNICIPAL WATER DISTRICT

Regular Board Meeting

Monday, August 16, 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 Regular Meeting of the Board of Directors was called to order by President Polito at 2:05 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, and Director Smith.

Board Members Absent: Directors Haskell and Holtz.

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

Other Attendees: Cathy Green, Pamela Tobin and Dana Frieauf (*ACWA candidates*)

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 Director Smith, seconded by Vice President Ferro; motion passes with three (3) affirmative votes (noting the absences of both Director Haskell and Director Holtz), the following consent calendar items were approved:

1. **Minutes of the Regular Board Meeting, Held Tuesday, July 19, 2021**
2. **Audit demands check numbers 160,600 – 160,858 for July 9, 2021 – August 5, 2021 and Wire Disbursements for July 1 – 31, 2021**
3. **Treasurer's Report for Month Ending June 30, 2021**
4. **Adoption of Resolution No. 2021-33, Approving North-South Village (Woods Valley Ranch Water Reclamation Facility) EDU Transfers**

ACTION AGENDA

5. Association of California Water Association (ACWA) 2022–2023 Term General Election Candidate Presentations, Adoption of Concurring Resolutions in Support of Candidates for ACWA President and Vice President, and Input Provided on Casting the Ballot for the 2022–2023 Term ACWA Region 10 Board Member Elections:

General Manager Arant previewed the upcoming election to select the new leadership for the Association of California Water Association (ACWA) Board of Directors in a general election to be held during the ACWA Fall Conference and an active mail-in ballot election for ACWA Region 10 (Orange County and San Diego County) Board Members. Agency Representatives may either vote for individual candidates to serve as Region 10 Chair, Vice Chair, and Board Members for each county, or concur with the slate recommended by the Region 10 Nominating Committee.

ACWA Board of Director candidates must acquire concurring nominations or letters of support (*in the form of a Resolution*) from other member agencies. These Resolutions do not obligate the agency to vote for these candidates, but rather acknowledges that they are worthy of candidacy for the position. General Manager Arant received requests from Pam Tobin of the San Juan Water District (candidate for ACWA President) and Cathy Green of the Orange County Water District (candidate for ACWA Vice President), requesting concurring Resolutions for the ACWA Board of Directors 2022–2023 term.

The Board received presentations regarding their skills and qualifications from both Board of Director candidates; in addition to a third presentation from Dana Friehauf of Santa Fe Irrigation District (candidate for ACWA Region 10 Vice Chair).

Action: President Polito was guided by Board input to cast the District's vote for the Region 10 ACWA 2022–2023 Term. Upon motion by Vice President Ferro, seconded by Director Smith; motion passes with three (3) affirmative votes (noting the absences of both Director Haskell and Director Holtz); the following Resolutions entitled:

RESOLUTION NO. 2021–28

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE VALLEY CENTER MUNICIPAL WATER DISTRICT
IN SUPPORT OF PAMELA TOBIN AS A CANDIDATE
FOR THE POSITION OF ACWA PRESIDENT**

and

RESOLUTION NO. 2021–29

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE VALLEY CENTER MUNICIPAL WATER DISTRICT
IN SUPPORT OF CATHY GREEN AS A CANDIDATE
FOR THE POSITION OF ACWA VICE PRESIDENT**

were adopted by the following vote, to wit:

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

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6. **Adoption of Resolution No. 2021-30, Approving an Addendum to the San Diego County Water Authority Emergency Storage Project Environmental Impact Report (EIR) and Environmental Impact Statement (EIS), Making Responsible Agency Findings Pursuant to the California Environmental Quality Act (CEQA), Adopting a Mitigation Monitoring Program, and Approving the Valley Center Improvements:**

Senior Engineer Lyuber recapped the project history and responsibilities pertaining to CEQA described within "Agreement Between and Among the San Diego County Water Authority (SDCWA), the Valley Center Municipal Water District (VCMWD), and the Yuima Municipal Water District (YMWD); for funding the design of the Emergency Water Storage Project (ESP) Improvements in Valley Center and Yuima Municipal Water Districts" – known as the "Agency Agreement".

The Agreement stipulates San Diego County Water Authority (SDCWA) would fill the role of lead agency in fulfilling the CEQA requirements for the Valley Center Improvements of the North County Emergency Storage Project (NCESP). VCMWD would follow as the responsible agency in implementing the findings pursuant to the Mitigation Monitoring Program (MMP) attached with the Resolution for adoption.

As the lead agency, SDCWA developed Addendum 21 to the original EIR completed in 1996 for the overall Emergency Storage Project to capture the Valley Center Improvements. Mr. Lyuber concluded that the findings showed no new impacts then originally identified and mitigated within the MMP, therefore not requiring additional public review period. Per the Water Authority's Administrative Code (§8.00.040 (b) 8) its General Manager delegated approval of CEQA addenda to the Water Resources Director, Kelley Gage. On July 13, 2021, SDCWA Director of Water Resources Gage certified that the adopted ESP CEQA Findings of Fact, Statement of Overriding Considerations, and MMP remain unchanged as a result of this addendum, and approved the ESP EIR/EIS Addendum No. 21 (State CEQA Guideline §15162).

Similarly, VCMWD's Board of Directors are required to adopt the findings as a Responsible CEQA Agency (State CEQA Guidelines §15096). The attached Resolution contains the supporting CEQA Findings of Fact, Statement of Overriding Considerations, and Mitigation Monitoring Program, as applicable to the Valley Center Improvements, proposed for adoption.

Mr. Lyuber went on to summarize the details of the mitigation measures being adopted, explaining their content is similar to ones the District is used to supporting on most of their Capital Improvement Projects. Measures include upholding typical Best Management Practices and providing Biological and Native American Monitors when needed. It was noted, the costs associated with these efforts will be reimbursed by the SDCWA.

The remainder of the presentation does not require Board action, and served as an Informational report to the status of the project; highlighting certain Amendments that have been executed to date.

First Amendment to Agency Agreement (*executed June 25, 2020*) – Increased SDCWA's financial responsibility from \$580,000 to \$1,080,000; required when VCMWD attained a design consultant, and found the costs to be higher than originally projected. The amendment also includes additional funding to cover VCMWD's staff efforts overseeing the design phase. Yuima's \$60,000 allotment remained unchanged, and is included in the total amount.

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Second Amendment to the Agency Agreement (*executed July 12, 2021*) – Modified the original scope to correct findings discovered in the 30% design phase.

Amendment 1 to Michael Baker International Design Services Agreement (*executed August 2, 2021*) Amending the original fee from \$758,947 to \$832,668 to capture additional design costs pursuant to the Second Amendment to the Agency Agreement.

Action: Upon motion by Vice President Ferro, seconded by Director Smith; motion passes with three (3) affirmative votes (noting the absences of both Director Haskell and Director Holtz), the following Resolution entitled:

RESOLUTION NO. 2021-30

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY CENTER MUNICIPAL WATER DISTRICT CONSIDERING AN ADDENDUM TO THE SAN DIEGO COUNTY WATER AUTHORITY EMERGENCY STORAGE PROJECT ENVIRONMENTAL IMPACT REPORT AND ENVIRONMENTAL IMPACT STATEMENT, MAKING RESPONSIBLE AGENCY FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, ADOPTING A MITIGATION MONITORING PROGRAM, AND APPROVING THE VALLEY CENTER IMPROVEMENTS

was adopted by the following vote, to wit:

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

7. Adoption of Resolution No. 2021-31, Approving an As-Needed Task Order Authorization to Rancho Land Company for the Old Castle Road Pipeline Replacement Phase 2 Project [PROJECT NO. 01-06-78-51420]:

Project Manager Sandoval presented a status update on the Old Castle Road Pipeline Replacement Project (“Project”) and summarized the scope of work. The Project was bifurcated into two phases: Phase 1, segment east of Pamoosa Lane consisted of approximately 2,500 LF of new pipeline and was completed in December 2019, and Phase 2, between Leisure Lane and Pamoosa Lane consists of removal and replacement of approximately 10,900 LF of pipeline.

The scope of work briefly reviewed by Sandoval includes: project management and coordination, Old Castle Road Right-of-Way mapping, aerial topographic survey, ground based field topographic survey, and mapping of existing utilities. In preparation for the pipeline replacement design and extensive scope of work, staff requested proposals from the as-needed surveying consultants.

<u>Company</u>	<u>Proposal Amount</u>
Rancho Land Company	\$53,910
TSAC Engineering	\$59,756
Guida Surveying, Inc.	\$98,240

Staff reviewed the three proposals and determined that rates and scope submitted by Rancho Land Company are reasonable and appropriate. The project is anticipated to be funded through the State Revolving Fund (SRF); with design plans completed in house and submitted as part of the SRF application in FY 2021-2022. If the project is approved for SRF Funding, construction is estimated to occur in FY 2022-2023, explained Mr. Sandoval.

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<u>Description</u>	<u>Budgeted Amount</u>
Staff (design only)	\$36,090
Construction (TBD)	\$0 (TBD)
Surveying Services	\$53,910
Contingency (10%)	\$10,000
Total Project:	\$100,000

Staff recommended adoption of Resolution No. 2021-31, authorizing staff to issue an As-Needed Task Order Authorization for Surveying Services for Phase 2 of the Old Castle Road Pipeline Replacement Project, to Rancho Land Company in the amount of \$53,910.

Action: Upon motion by Vice President Ferro, seconded by Director Smith; motion passes with three (3) affirmative votes (noting the absences of both Director Haskell and Director Holtz), the following Resolution entitled:

RESOLUTION NO. 2021-31

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
VALLEY CENTER MUNICIPAL WATER DISTRICT AUTHORIZING
ISSUANCE OF AN AS NEEDED TASK ORDER AUTHORIZATION
TO RANCHO LAND COMPANY FOR PHASE 2 OF THE
OLD CASTLE ROAD PIPELINE REPLACEMENT PROJECT
[PROJECT NO. 01-06-78-51420]**

was adopted by the following vote, to wit:

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

8. Approval of Resolution No. 2021-32 Amending the FY 2021-2022 Annual Budget for the Lake Turner Dam Slide Gate Emergency Repair Project:

Director of Operations and Facilities Lovelady gave the Board a review of the Lake Turner Dam Slide Gate Emergency Repair Project ("Project") and associated Budget Adjustment. On June 10, 2021 the California Department of Water Resources (DWR) *Division of Safety of Dams* conducted the annual inspection of Lake Turner Dam. The DWR inspection discoveries were shared by Mr. Lovelady. The 36" hydraulically operated inlet/outlet slide gate failed to open. The slide gate is located within the inlet/outlet structure, 150 feet from the shoreline at a water depth of 85 feet and is operated by a 36" stainless steel hydraulic cylinder (powered by an electric powered hydraulic pump).

On June 23, 2021 the District hired Potable Divers Inc. to inspect the slide gate; upon inspection they found a leak in the hydraulic cylinder rod end area. Following the final inspection by the divers, staff contacted several commercial dive companies that specialize in underwater repairs to explore alternative options and concluded the most cost-effective course of action would be the use of a dive company for repair.

Per the District's Administrative Code (§ 140.6) and California Public Contract Code (§ 22050) - in the case of an emergency, the Board of Directors may repair or replace any facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes;

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without giving notice for bids to let contracts. The following four quotes were received from dive companies (to remove and reinstall the hydraulic cylinder after repair):

<u>Company</u>	<u>Amount</u>
Phoenix International	\$84,000
C&W Diving Services	\$172,500
Harbor Offshore	\$179,421
Arizona Commercial Diving	\$325,000

Staff recommended approval of Resolution No. 2021-32, amending the FY 2021-2022 annual budget allocating \$190,000 from Capital Improvement reserves and authorizing the General Manager to enter into an agreement with Phoenix International (commercial dive company) for the Lake Turner Outlet Tower Slide Gate Repair Project.

Action: Upon motion by Vice President Ferro, seconded by Director Smith; motion passes with three (3) affirmative votes (noting the absences of both Director Haskell and Director Holtz); the following Resolution entitled:

RESOLUTION NO. 2021-32

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
VALLEY CENTER MUNICIPAL WATER DISTRICT
AMENDING THE FY 2021 - 2022 ANNUAL BUDGET TO
APPROPRIATE FUNDING FOR THE LAKE TURNER DAM
SLIDE GATE EMERGENCY REPAIR PROJECT**

was adopted by the following vote, to wit:

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

INFORMATIONAL ITEMS

9. Lower Moosa Canyon and Corporate Solar Projects Status Report:

The Board was provided with a status report on the Lower Moosa Canyon (Moosa) and Corporate Facility (Corporate) Solar Array Projects. General Manager Arant gave a brief overview of the work completed and estimated timeline of the project. Design and engineering work continue and subcontractor site visits have been completed at both locations. Preliminary site work at both Moosa and Corporate will start later in August with the clearing of the bank areas where the panels will be installed. There are currently supply chain delay issues relating to the aluminum and steel racking components (the foundation units are available); therefore, installation of the foundation units will be delayed and are expected to begin sometime in September.

A potential conflict between the Lower Moosa Canyon MCC Project and the Solar Array Project was identified and subsequently resolved. Watthub agreed to phase the solar projects so as to be able to interconnect into the new Lower Moosa MCC panel rather than going into the existing panel and then having to transfer to the new MCC at a later point. The new MCC panel was designed and will be built to accommodate the solar interconnection, and is anticipated that the solar system will be interconnected in the late March, early April 2022 timeframe.

Action: No action required, informational item only.

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10. Update on the Financial Impacts of the COVID-19 Pandemic:

An update on the financial impacts of the COVID-19 Pandemic was provided by Director of Finance and Administration Pugh. The sales volume for July 2021 was 1996.3-acre feet with outstanding balances of \$4,745,522 representing 7,472 accounts. July 2020 had sales of 1940.2-acre feet with total outstanding balances of \$4,276,885 for 7,462 accounts. July 2021 had total balances greater than 30 days of \$452,837, up \$134,142 from June 2021; with 833 accounts having an outstanding balance greater than 30 days.

Mr. Pugh stated staff has continued efforts to monitor, contact, and ultimately send lien letters to VCMWD customers; which has been effective in reducing outstanding balances. As of July 31, 2021, 19 new "Lien Notices" were issued, and 10 accounts previously placed on Lien have been paid off. Updated letters are being sent to the property owners to advise them of the updated lien amounts.

VCMWD is in the process of applying for state funds to cover customer arrearages, stated Mr. Pugh. Counsel de Sousa added the state is still in the process of finalizing the mentioned program.

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. San Diego County Water Authority's Board Meeting Summary:

A report on the San Diego County Water Authority's Board of Directors' Meeting of July 22, 2021 was provided by General Manager Arant; regular business items were discussed.

Action: No action required, informational item only.

12. General Information:

The June 2021 Monthly Status Report was received and filed.

Action: No action required, informational item only.

DISTRICT GENERAL COUNSEL'S AGENDA

General Counsel de Sousa reported on the following:

- California, through the State Water Board, is still finalizing its program (California Water and Wastewater Arrearage Payment Program) to distribute funds for customer arrearages.
- Continue to monitor both CalOSHA and San Diego County recommendations regarding COVID-19 safety requirements.

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

None.

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BOARD OF DIRECTOR'S AGENDA

None.

CLOSED SESSION

None.

ADJOURNMENT

Action: Upon motion by Director Smith, seconded by Vice President Ferro; motion to adjourn passes with three (3) affirmative votes (*noting the absences of both Director Haskell and Director Holtz*), the regular meeting of the Board of Directors was adjourned at 3:47 p.m.

ATTEST:

ATTEST:

Enrico P. Ferro, *Board Vice President*

Kirsten N. Peraino, *Board Secretary*

Approved at a regularly scheduled Board Meeting on Monday, September 20, 2021