

VALLEY CENTER MUNICIPAL WATER DISTRICT

Regular Board Meeting
Tuesday, January 16, 2018
Time: 2:00 P.M.
Place: Board Room
29300 Valley Center Road
Valley Center, CA 92082

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

ROLL CALL

Board members present were: Directors Broomell, Polito, Haskell and Ferro. Staff members present were: General Manager Arant, General Counsel De Sousa Mills, District Engineer Grabbe, Finance Director Pugh, IT Director Pilve, Director of Operations/Facilities Hoyle, Manager of Accounting Velasquez, Safety and Regulatory Compliance Supervisor Olson and Executive Assistant Johnson. Spectators present were Nick Norvell – BBK, Jacqueline Howells – HGR, Dave Ross – Roadrunner Newspaper, Kerry Garza – Touchstone, Mark Gregson and Gordon Cloes - property owners.

ACTION AGENDA

1. Resolution No. 2018-01 Recognizing and Honoring Merle J. Aleshire for his Service to the District:

Division 5 Director, Merle Aleshire, was recognized for his 20 years of service to the District and community as he retired from his post effective December 31, 2017. A Board Resolution honoring his dedication and service will be presented to him.

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

RESOLUTION NO. 2018-01

RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CENTER MUNICIPAL WATER DISTRICT RECOGNIZING AND HONORING 20 YEARS OF OUTSTANDING SERVICE BY MERLE J. ALESHIRE, DIRECTOR, DIVISION 5

was adopted by the following vote, to wit:

AYES: Directors Broomell, Polito, Haskell and Ferro
NOES: None
ABSENT: None

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BOARD REORGANIZATION

2. Election of New Board Officers:

Following President Broomell's request to relinquish his position as Board President, the Board voted to reorganize as follows:

Upon motion by Ferro, seconded by Haskell and unanimously carried, Robert Polito was elected the new Board President.

Upon motion by Ferro, seconded by Broomell and unanimously carried, Randy Haskell was elected the new Vice President.

CONSENT CALENDAR

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

- Minutes of the Board meeting held December 18, 2017
- Audit demand check numbers 150415 through 150615 for December 8 through January 4, 2018 and wire disbursements for December 2017
- Treasurer's Report for month ending November 30, 2017
- Quarterly report of employees' expense reimbursements for the quarter ending December 31, 2017

ACTION AGENDA (Continued)

4. Report on State Mandated Lead Sampling Program for Public Schools:

Per the State Water Resources Control Board's (SWRCB) amendment to the current Domestic Water Supply Permit, the District performed lead sampling and testing at public schools requesting the test, reported Director of Operations Hoyle. Within the VCMWD service area, the schools tested were Reidy Creek Elementary School in the Escondido Unified School District, and Lilac Elementary, VC Elementary, VC Middle School, VC High School, VC Prep School and VC Primary School in the Valley Center/Pauma Valley Unified School District.

Staff obtained control water samples from District sampling stations nearest the schools in order to rule out any lead readings within the District's distribution system. Test samples were obtained at school drinking fountains and cafeteria sinks. No lead was detected at any of the Valley Center schools.

Four of five samples obtained at the Reidy Creek School had no detectable lead. The one sample indicating elevated levels of lead was discovered to have a galvanized pipe nipple. After replacing the galvanized nipple with a brass fitting, the site was resampled and found to be well within acceptable lead limits.

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New legislation, AB 746 (Gonzalez), now mandates that all schools, public and private assembling in a public building, must have lead testing performed by their water supplier. Any testing done after January 1, 2018 will be reimbursable by the state. Staff will research if any additional schools should be tested.

5. Review of Proposed Administrative Code Changes to Sections 50.3 and 50.4 to Allow the Use of Community Facilities Districts (CFDs) for Land-Secured Financing:

Proposed amendments to Administrative Code Sections 50.3 and 50.4 to allow for the use of Community Facilities Districts for land secured financing was presented for review by Director of Finance Pugh. Current policy only allows for fixed lien special assessment districts.

At the November 6, 2017 meeting, Fieldman, Rolapp and Associates provided a presentation outlining the benefits and drawbacks of CFDs compared to assessment districts. They have provided suggested changes to the Admin Code that would allow for the inclusion of CFDs and also made recommendations that would make the overall debt compliant with SB 1029, establishing internal controls.

Staff will return with an Ordinance to adopt the proposed changes at the next regular Board meeting.

6. South Village Collection System Project – Approval of Change Order No. 1 with Filanc Construction Company for Final Project Closeout:

Approval of Change Order No. 1 and authorization for the General Manager to execute a Change Order Agreement releasing all claims between Filanc Construction Company and the District on the South Village Collection System Project was presented by District Engineer Grabbe.

Staff and Filanc have negotiated a settlement for additional work resulting in a “no cost” change order and a 240 calendar day time extension. The change order consists of the following modifications:

Description	Cost	% Original Contract
Requested Additional Work	70,412	4.3%
Deducted Work	(132,327)	(8.2%)
Rock Clause Excavation	20,020	1.2%
Unforeseen Conditions	143,144	8.8%
CM/Inspection for Time Extension	(101,250)	(6.2%)
Net Change	0	0.0%

With approval of the change order, staff can process Filanc's final payment on the project (\$165,548.90) and release the retention that was withheld on previously completed work (\$72,772.56) for a final payment of \$238,321.46.

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Upon motion by Broomell, seconded by Haskell and unanimously carried, the Board approved Change Order No. 1 with Filanc Construction on the South Village Collection System Project and authorized the General Manager to sign the Change Order Agreement.

GENERAL MANAGER'S AGENDA

7. The following miscellaneous items were reported:

- District Status Report for November was presented.
- Department Heads outlined items coming before the Board in the near future.
- Sierra snowpack is currently 20% of normal.

GENERAL COUNSEL AGENDA

8. General Counsel de Sousa Mills reported on items before the state legislature including SB 623 (Monning), which is a tax on water bills to be sent to Sacramento. This bill requires two-thirds of the vote to pass and may be in jeopardy since the Democrats currently lack a two-thirds majority. Trailer bills may be used to push through some of the Governor's agenda.

Best, Best and Krieger reported that no changes to the 2017 Brown Act report were necessary for 2018.

BOARD OF DIRECTORS' AGENDA

9. **AB 1234 Report – Attendance at Meetings by Board Members:**

Director Ferro submitted a report on his attendance at the Fall ACWA Conference in Anaheim.

10. **Process Determination to Fill Board Vacancy for Director of Division 5:**

General Manager Arant reported that the Board has 60 days (per Government Code) from the date of resignation to either call for a special election or appoint someone to carry out the remaining term. If neither is done within the 60 days, the Board of Supervisors can appoint someone or direct the District to call an election.

If the Board decides to fill the vacancy by appointment, a Notice of Vacancy must be posted in three or more conspicuous places at least 15 days prior to the meeting where the appointment will be made.

Mark Gregson and Gordon Cloes, both residents in Division 5, expressed their interest in the vacant Board seat.

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Upon motion by Ferro, seconded by Broomell and unanimously carried, the Board will make the appointment to fill the Division 5 Director vacancy at their regular meeting on February 20, 2018.

11. ACWA Region 10 Board Vacancy – Request for Nominations:

A vacancy currently exists on the ACWA Region 10 Board for a San Diego County Director. Region 10 covers both Orange and San Diego Counties with the Chair position alternating between counties every two years. At the last election, only two nominations were received for the three San Diego board positions. As such, the Region 10 board will be appointing a San Diego Director later this spring and has asked for interested candidates.

No one on the VCMWD Board indicated an interest in being on the Region 10 board but asked if the General Manager could be nominated. A resolution nominating Gary Arant to the Region 10 Board will be brought forward at the next regular meeting.

CLOSED SESSION

12. No closed session was called.

ADJOURNMENT

13. Upon motion by Haskell, seconded by Ferro and unanimously carried, the regular meeting of the Board of Directors was adjourned at 2:55 p.m.

ATTEST:

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President

Secretary

Approved at a regular meeting of the Board of Directors on February 5, 2018