

VALLEY CENTER MUNICIPAL WATER DISTRICT

Regular Board Meeting
Tuesday, March 19, 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 Polito at 2:00 P.M.

ROLL CALL

Board members present were: Directors Polito, Haskell, Broomell, Ferro and Holtz. Staff members present were: General Manager Arant, General Counsel de Sousa Mills, District Engineer Grabbe, Director of Operations Hoyle, Finance Director Pugh, IT Director Pilve, Manager of Accounting Velasquez, and Executive Assistant Johnson. Spectators present were Jacqueline Howells - HGR.

CONSENT CALENDAR

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

- Minutes of the Board meeting held February 20, 2018
- Minutes of the Board meeting held March 5, 2018
- Audit demand check numbers 150950 through 151030 for February 23, 2018 through March 8, 2018 and wire disbursements for February 2018
- Board of Directors' request for reimbursement of expenses and report of expenses
- Resolution No. 2018-06 affirming the District's authorized debt limits per Ordinance No. 171, effective January 1, 2018

ACTION AGENDA

2. Award of Construction Contract for the Betsworth Forebay No. 1 and Red Mountain Reservoir Painting and Recoating Project:

The Betsworth Forebay No. 1 and Red Mountain Reservoir Painting and Recoating Project consists of the cleaning, remedial repair, interior coating, and exterior painting reported District Engineer Grabbe. Betsworth was last coated in 2000 and is showing some corrosion. Red Mountain Reservoir was last coated in 1986. Its center support and rafters are showing significant deterioration.

The Engineer's estimate for this project was \$380,000. Three project bids were received as follows:

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J. Colon Coatings	\$330,200
AMP United	\$333,102
Olympos Painting	\$683,368

This project is expected to take 110 calendar days with the completion expected by the end of July 2018. The construction on the reservoirs would be staggered two weeks apart to allow for inspections. According to plan, Red Mountain will be off-line from April 9th through July 18, 2018; Betsworth Forebay will be off-line from April 25th through July 27, 2018. Because Red Mountain is the sole storage facility within this pressure zone, a temporary pump system will be installed during the work.

Staff recommends adoption of Resolution No. 2018-07 awarding the construction contract to J. Colon Coatings for their low bid of \$330,200.

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

RESOLUTION NO. 2018-07

**RESOLUTION OF THE BOARD OF DIRECTORS
OF VALLEY CENTER MUNICIPAL WATER DISTRICT
AWARDING THE CONSTRUCTION CONTRACT FOR THE
BETSWORTH FOREBAY NO. 1 AND RED MOUNTAIN RESERVOIR
PAINTING AND RECOATING PROJECT
[PROJECT NO. 01-06-78-51290 / 01-06-78-51210]**

was adopted by the following vote, to wit:

AYES: Directors Polito, Haskell Broomell, Ferro and Holtz

NOES: None

ABSENT: None

3. Ordinance No. 2018-03 Amending Administrative Code Sections 160.23 and 160.27 to Clarify Fire Service Meter Requirements:

At the February 5, 2018 Board meeting, staff discussed conditions that may warrant allowing the requirement for a separate fire service meter to be waived. Following that discussion and comments received from General Counsel, amendments to Administrative Code Sections 160.23 – Residential Fire Service, and 160.27 – Conditions of Service are being requested.

The amendment would allow the requirement for a separate fire service meter to be waived for the following specific conditions:

- Residences with Private Booster Pumps

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- Remote Meter Installations more than 200 feet from residence
- Home has existing fire sprinkler system installed prior to the requirement
- Property has other water source approved by governing fire district
- Fire sprinkler system is being required for a detached structure that will not be occupied

In addition, waivers would be subject to verifying that the existing service lateral is sufficient in size and the property owner signs a "Release and Indemnification Agreement" with the District.

Staff recommended adoption of Ordinance No. 2018-03 amending Administrative Code Sections 160.23 and 160.27 to specify conditions for which the separate fire service meter requirement may be waived.

Upon motion from Ferro, seconded by Broomell and unanimously carried, the following Ordinance, entitled:

ORDINANCE NO. 2018-03

**ORDINANCE OF THE BOARD OF DIRECTORS
OF VALLEY CENTER MUNICIPAL WATER DISTRICT
AMENDING ADMINISTRATIVE CODE ARTICLES 160.23 AND 160.27
SPECIFYING CONDITIONS FOR WHICH THE SEPARATE
FIRE SERVICE METER REQUIREMENT MAY BE WAIVED**

was adopted by the following vote, to wit:

AYES: Directors Polito, Haskell, Broomell, Ferro and Holtz

NOES: None

ABSENT: None

4. Review of Proposed Administrative Code Amendments Regarding Individual Water Meters for Multi-Unit Residential Structures, Separate Irrigation Meters and Meter Relocations:

Proposed amendments to the Administrative Code clarifying water meter requirements for three specific areas were presented by District Engineer Grabbe. They included:

- Separate irrigation meters for commercial, industrial and institutional developments to better monitor water use for compliance with demand restrictions;
- Requiring individual water meters for each new residential unit of a multi-unit residential structure to comply with new legislation (SB7); and
- Allows for meter relocations between properties of the same ownership.

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Staff will incorporate the comments received and finalize the proposed Administrative Code recommendations for adoption at a future meeting.

5. Resolution Approving the District's Statement of Investment Policy and Renewing the Authority Delegated to the Treasurer:

Review of the District's investment policy by the Board of Directors is required annually by Government Code Section 53646(a)(2) and Administrative Code Section 50.1(j). In addition, Government Code Section 53607 requires the delegation of investment authority be reconfirmed by the Board annually.

The District's investment policy has three objectives reported Finance Director Pugh: 1) the safety and preservation of capital, 2) the liquidity to meet cash flow requirements, and 3) an investment yield at least equal to the average rate of U.S. Treasury Bonds.

Staff recommended approving the District's Statement of Investment Policy with one minor correction in Section 50.1(g)F, and renewing the authority delegated to the Treasurer, who is also the Director of Finance, to invest and reinvest District funds.

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

RESOLUTION NO. 2018-08

**RESOLUTION OF THE BOARD OF DIRECTORS
OF VALLEY CENTER MUNICIPAL WATER DISTRICT
TO APPROVE THE STATEMENT OF INVESTMENT POLICY
AND TO RENEW THE DELEGATION OF INVESTMENT AUTHORITY
TO THE TREASURER OF THE DISTRICT**

was adopted by the following vote, to wit:

AYES: Directors Polito, Haskell Broomell, Ferro and Holtz

NOES: None

ABSENT: None

GENERAL MANAGER'S AGENDA

6. Miscellaneous:

General Manager Arant reported on the following miscellaneous items:

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- The January Status Report shows projected water sales at 22,000 acre feet for the year; the Renewable Energy Program total cost savings is approaching \$1M; and the District has surpassed \$133M on discounts it has passed through to its agricultural customers from the Interim Ag Program at Metropolitan and the TSAWR Program at the SDCWA.
- Board member tour being scheduled for April 9, 2018.
- Director Ferro will be attending the Water Policy Conference in Sacramento March 22nd and 23rd.

ADJOURNMENT

7. Upon motion by Haskell, seconded by Ferro and unanimously carried, the regular meeting of the Board of Directors was adjourned at 2:58 p.m.

ATTEST:

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President

Secretary

Approved at a regular meeting of the Board of Directors on April 16, 2018