

VALLEY CENTER MUNICIPAL WATER DISTRICT

Regular Board Meeting
Monday, May 21, 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, Broomell, Haskell, 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, Project Managers Carrillo and Williams, Water Conservation Coordinator Garcia, Sr. Engineering Technician DeManriquez, Safety and Regulatory Compliance Supervisor Olson, and Executive Assistant Johnson. Spectators present were: Jacqueline Howells – HGR, and students, principals, teachers and family members of the poster contest entrants from Lilac and Valley Center Elementary Schools.

CONSENT CALENDAR

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

- Minutes of the Board meeting held April 16, 2018
- Audit demand check numbers 151232 through 151538 for March 30 through May 10, 2018 and wire disbursements for March and April 2018
- Treasurer's Report for month ended March 31, 2018

PRESENTATION

2. Fourth Grade Water Awareness Poster Contest – Presentation of Awards:

The fourth grade students from Valley Center Elementary and Lilac Elementary Schools who were top winners in the Water Awareness Poster Contest were welcomed by President Polito, along with their principals, teachers, parents and siblings.

Water Conservation Coordinator, Trish Garcia, reported that in addition to the poster contest the District had participated in the school's Ag Days and provides support for the Splash Lab and Green Machine at educational events.

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The Water Awareness Poster Contest theme this year was “Be Water Smart.” The District received approximately 200 entries from both elementary schools with the top 11 posters being recognized. All the participants were congratulated for their excellent work.

1 st Place	Nicca Grossman (Lilac)
2 nd Place	Makayla Young (Lilac)
3 rd Place	Miryam Ramirez (Lilac)

Honorable mentions were given to Emiley Arai, Litzy Avila, Jacqueline Macaulay, Sophia Martinez, Jasmine Morrissette, and Kiona Thompson from Valley Center Elementary, and Karla Lopez Ramirez and Emily Sodeman from Lilac Elementary.

The 2019 North County Water Agencies calendar will include the artwork of the top 3 winners.

ACTION AGENDA

3. Rimrock Low Pressure Sewer System Improvements Project – Rejection of All Bids:

The Rimrock Low Pressure Sewer System Improvements Project involves the replacement of brass gate valves and corp stops used throughout the development, and installation of several clean-outs to provide more access for maintenance and in emergency situations. Two bids were received on May 2, 2018 in accordance with formal bidding procedures, reported Project Manager Carrillo, as follows:

Scott Michael, Inc.	\$647,452.93
Wier Construction Corp.	\$1,349,100.00

The engineer’s estimate for the project was \$500,000. Scott Michael, Inc., the low bidder, failed to return Addendum’s 1 and 2 with their bid package, and also did not use the revised bid form. Their bid was reported as materially non-responsive and must be rejected. The other bid, from Wier Construction, was more than twice the amount allocated for the project.

Staff recommended rejecting all bids and re-evaluating the project for changes to the plans and/or budget and re-bid the project at a later date.

Upon motion by Broomell, seconded by Ferro and unanimously carried, the Board approved staff’s recommendation.

4. Wilkes Road Paving Repair Project – Award of Construction Contract:

The Wilkes Road Paving Repair Project consists of remedial pavement repair within Wilkes Road between Old Castle and Atchison Roads reported Project Manager Williams. In accordance with formal bidding procedures, five bids were received as follows:

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Kirk Paving, Inc.	\$82,844
Frank & Son Paving, Inc.	\$98,616
Joe's Paving, Inc.	\$109,750
PAL General Engineering, Inc.	\$113,583
RAP Engineering, Inc.	\$142,573

Kirk Paving was the apparent low bidder, with a bid of \$82,844. Their bid came in approximately 3% lower than the engineer's estimate of \$85,000, and 16% lower than the second lowest bid.

Staff received a letter of protest from the second low bidder, Frank & Son Paving, alleging that Kirk Paving's cost for the chip seal bid item was not based on materials and methods defined in the contract specifications. Kirk Paving has provided confirmation that they intend to complete the work as specified for the bid amount. Therefore, staff has determined that the bid protest is without merit.

Funds have been budgeted and are available for this project. The contract allows for a 30 day construction period and is expected to be complete by mid-July. Staff recommended awarding the Wilkes Road Paving contract to Kirk Paving, Inc. for their low bid of \$82,844.

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

RESOLUTION NO. 2018-11

**RESOLUTION OF THE BOARD OF DIRECTORS
OF VALLEY CENTER MUNICIPAL WATER DISTRICT
AWARDING THE CONSTRUCTION CONTRACT FOR THE
WILKES ROAD PAVING REPAIR PROJECT
[PROJECT NO. 01-06-78-51010]**

was adopted by the following vote, to wit:

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

NOES: None

ABSENT: None

5. Pauma Valley Groundwater Sustainability Agency (PVGSA) Status Report:

An update on the activities associated with the Pauma Valley Groundwater Sustainability Agency was provided by General Manager Arant. The Board last took action in June 2017 by relinquishing its GSA status in deference to the County of San Diego stepping forward to take the lead. The District chose not to become a signatory to the MOU with the County due to liability concerns; however, VCMWD did continue participation in the GSA through inclusion on the Executive Committee.

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Since that time, the County proceeded to develop a consultant Request for Proposals (RFP) for the Groundwater Sustainability Plan and began the procurement process. The Local Tribes objected to not having been included in the process, even though they had previously been asked, and objected to the County drafting the RFP and conducting the consultant selection process. The Tribes then advocated for inclusion in the GSA governance structure and the County stopped their procurement process. Governance discussions began with the local agencies and the Tribes in the fall of 2017.

An issue was raised in December 2017 that a portion of the Pala Reservation was outside the Pauma Basin Boundary. Water in that area was determined to be subterranean stream flow and is not covered by SGMA. AB 1944 (Garcia) was introduced to statutorily extend the Groundwater Basin to the Monserate Narrows, providing GSA/GSP protection for all of Pala's tribal lands. This bill is anticipated to be signed into law at the end of the 2018 Legislative Session.

Much of the work over the last several months has focused on how the PVGSA will be jointly governed by the Indian Water Authority/Five Bands and the nine Public Agencies (including VCMWD). The general consensus is the governance will be 50/50 between the Tribal Governments and Public Agencies with a dispute resolution mechanism developed should the 50/50 partners not be able to come to a consensus on certain issues. The local agencies are considering the formation of a Joint Powers Authority.

The cost to develop the GSP is estimated at \$2.0M. With \$1.2M in grants from the Department of Water Resources, the local share will be approximately \$800K, with the tribes committed to half. While not yet finalized, staff is assuming that the cost allocation will be along the lines of the vote allocation model of which VCMWD is assigned 1.25% based upon weighted factors. When based on acreage within the basin, the District's share could be as much as 3.5%, or somewhere between \$5,000 and \$28,000. Staff will keep the Board informed of further developments.

GENERAL MANAGER'S AGENDA

6. Review of District's Draft Strategic Plan Proposed for Fiscal Years 2018-2019 through 2022-2023:

The District's Strategic Plan will be expiring at the end of this fiscal year. Staff has prepared a draft update to cover fiscal years 2018-19 through 2022-23. General Manager Arant reviewed new and ongoing goals, performance standards and organizational values for Board comment. All of the proposed changes to the Strategic Plan can be found in the Board Memo dated May 21, 2018.

The Strategic Plan for Fiscal Years 2018-19 through 2022-2023 will be reviewed for possible adoption at a future date.

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7. San Diego County Water Authority's Board of Directors Meeting:

General Manager Arant reported on the following items from the SDCWA Board of Directors' Meeting of April 12, 2018:

- The Water Authority adopted an Action Plan for the Water Tax and has contributed \$10,000 to the ACWA water tax education campaign. Although not directly affected by the water tax, the Water Authority is supporting its member agencies by helping to educate the region.

DISTRICT GENERAL COUNSEL'S AGENDA

8. General Counsel de Sousa Mills reported that the Water Efficiency Standards (SB 606 and AB1668), the state's attempt at providing water budgets to agencies and determining how much water can be used both inside and outside, is on the Governor's desk and is likely to be signed very soon. Padre Dam MWD and the city of Santa Rosa are in a pilot project with the State Board for the fly-overs for determining what land is irrigable. This project is supposed to be completed for the entire state by 2020 which, due to the size and complexity, is highly unlikely.

BOARD OF DIRECTORS' AGENDA AND REPORTS ON MEETINGS ATTENDED

9. Resolution Formally Opposing Senate Bill 623, the "Water Tax":

SB 623 (Monning) proposes to place a "water tax" on all retail domestic and commercial service connections with the funds directed to correct water system water quality deficiencies in disadvantaged communities statewide.

The District has been actively opposing SB 623 by writing articles, sending letters to the Governor and local and state legislature, joining in on ACWA and SDCWA coalition letters, and donating \$10,000 to the ACWA Anti-Water Tax Campaign. However, the Board has not taken a formal position of opposition, as suggested by ACWA and now requested by the SDCWA. With adoption of Resolution 2018-10, the District Board will formally oppose the "Water Tax" proposed in SB 623 and the related Budget Trailer Bill.

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

RESOLUTION NO. 2018-10

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE VALLEY CENTER MUNICIPAL WATER DISTRICT
OPPOSING THE "WATER TAX" PROPOSED AS
CALIFORNIA SENATE BILL 623**

was adopted by the following vote, to wit:

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

NOES: None

ABSENT: None

10. Annual Review of Board Member Per Diem:

Per Board direction, the Board of Directors' per diem is reviewed annually for consideration of modification. Current law provides that the Board may increase its per diem amount by 5% for each calendar year since the last adjustment. The Board's last adjustment of the per diem was on February 16, 1993. A public hearing is required prior to increasing the per diem rate.

The Board declined to pursue a change in the per diem rate.

11. Report of Board Member Attendance at Meetings (AB 1234):

Director's Ferro and Holtz reported on their attendance at the Association of California Water Agencies Spring Conference May 7-11, 2018 in Sacramento. Both Directors attended the first meeting of the Agricultural Committee.

CLOSED SESSION

12. A closed session was called by President Polito at 3:26 p.m. pursuant to:

- **Government Code § 54956.9(d)(2) – Conference with Legal Counsel, Anticipated Litigation:**

Number of potential cases: 4

RECONVENE

13. The regular Board of Directors meeting reconvened at 3:45 p.m. There was no reportable action.

ADJOURNMENT

14. Upon motion by Haskell, seconded by Broomell and unanimously carried, the regular meeting of the Board of Directors was adjourned at 3:46 p.m.

ATTEST:

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President

Secretary

Approved at a regular meeting of the Board of Directors on June 4, 2018