

VALLEY CENTER MUNICIPAL WATER DISTRICT

Regular Board Meeting

Monday, April 18, 2022 - 2:00 P.M.

Place: Board Room

29300 Valley Center Road; Valley Center, CA 92082

Due to the COVID-19 State of Emergency this Board Meeting is being conducted via Web Conference and Live Stream pursuant to Government Code §54953(e)(1)(A), which provides waivers to certain provisions of the Brown Act during a proclaimed state of emergency when state or local officials have imposed or recommended measures to promote social distancing, and allows some or all of the District's Directors to participate in the meeting telephonically or via video conference.

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 Smith, and Director Babineau; with Director Holtz teleconferencing.

Board Members Absent: None.

Staff Members Present: General Manager Arant, District Engineer Grabbe, Director of Operations and Facilities Lovelady, Director of Finance Pugh, Manager of Accounting Velasquez, Director of IT Pilve, and Executive Assistant/Board Secretary Peraino; with Safety and Regulatory Compliance Supervisor Olson, General Counsel de Sousa, and Federal Consultant Jacqueline Howells (HGR) teleconferencing.

Guest Speakers Present (Virtual): Tom Kennedy (General Manager) *with* Fallbrook Public Utilities District, Jack Bebee (General Manager) *with* Rainbow Municipal Water District, Mrunal Shah *with* Best Best & Krieger, and Adam Bauer *with* Fieldman, Rolapp & Associates.

PUBLIC COMMENTS / QUESTIONS

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

1. **Make Findings Necessary to Continue Teleconferenced Board Meetings Pursuant to Assembly Bill 361 (AB 361), for an Additional 30 Days;**
2. **Minutes of the Regular Board Meeting Held Monday, April 4, 2022;**
3. **Audit Demands (Check Nos. 162510 – 162659 for March 25 – April 7, 2022) and Wire Disbursements (Month Ending March 31, 2022);**
4. **Quarterly Expense Reimbursement Disclosures (Jan. 1 – Mar. 31, 2022) per GC §53065.5**

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5. **Ordinance No. 2022-06 Modifying the District's Administrative Code to Amend Article 30, Adjusting the Board of Director Election Division Boundary Map; and**
6. **Resolution No. 2022-11, Authorizing Renewal to the Professional Services Agreement with ESRI.**

PRESENTATION

7. **Special Presentation by Fallbrook Public Utilities District and Rainbow Municipal Water District on Detachment from the San Diego County Water Authority:**

General Manager Arant reminded the Board, that FPU and RMWD have applied for detachment from the SDCWA. The detachment process has been underway for over two years and is anticipated to go to the Local Agency Formation Commission (LAFCO) sometime this year. The issue at the forefront is the Terms and Conditions of Detachment adopted by LAFCO; this action by LAFCO will likely result in litigation, brought either by FPU and RMWD or the SDCWA.

In October 2019, VCMWD commissioned a study by Ken Weinberg, Ken Weinberg Water Resources Consulting, LLC, to review the detachment process, assess the financial impacts, and document the fact that VCMWD does not have the same locational attributes as the 2 member agencies seeking detachment vis-à-vis the Metropolitan Water District (MWD)-owned sections of the aqueducts which serve the SDCWA. Beyond providing the Board with information about the detachment, another purpose of the report was to demonstrate to the District's customer base why VCMWD could not readily detach to reduce the cost of water; which of course was the main motivation behind FPU and RMWD. Though VCMWD's northern boundary is close to the MWD/SDCWA ownership change point, it would not just be simple matter of connecting VCMWD's system to the 1st Aqueduct at that point. General Manager Arant shared a PowerPoint presentation, with a map showing the amount of infrastructure investment which would be needed to detach and connect to the MWD pipeline.

General Manager Arant introduced special guest speakers Tom Kennedy of the Fallbrook Public Utilities District and Jack Bebee of the Rainbow Municipal Water District, who gave a brief presentation on detachment from the SDCWA.

Action: No action required, informational presentation only.

ACTION AGENDA

8. **Approval of Series 2022 Bond Sale – CFD 2020-1 (Park Circle East/West):**

District Engineer Grabbe presented to the Board a review of the bond documents and associated resolution for the Series 2022 bond sale for Community Facilities District No. 2020-1 (Park Circle East/West) of the Valley Center Municipal Water District ("CFD 2020-1"). CFD No. 2020-1 was formed to fund the required wastewater facilities (the "CFD Facilities") needed for full build out of the Park Circle East and Park Circle West developments. The CFD Facilities include the CFD 2020-1's share of the Assessment District No. 2012-1 indebtedness for the Woods Valley Ranch Wastewater Expansion Project, capacity charges, future funding of the Phase 3 Facilities; including design and construction of the Phase 3 expansion of the Woods Valley Ranch Water Reclamation Facility ("WVR WRF"), additional recycled water seasonal storage, and recycled water transmission facilities, and the construction of the Orchard Run Lift Station.

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Adam Bauer with Fieldman-Rolapp & Associates, the District's Municipal Advisor, gave a brief presentation to the Board addressing the proposed issuance of the CFD 2020-1 Series 2022 Special Tax Bonds with total bond proceeds of \$5,995,000 ("CFD Bonds").

The Series 2022 Special Tax Bond will fund a total project cost of \$5,090,000 consisting of: Orchard Run Lift Station - \$3,845,000; Buy-in to the WVR WRF Phase 1 Facilities - \$520,000; and Planning Costs, Seasonal Storage Improvements, and other cost items - \$725,000, with the balance funding the Debt Service Reserve, Underwriter's Discount and Cost of Issuance. The remaining CFD Facilities, totaling just over \$14M, are anticipated to be funded from a second series of CFD Bonds in or after 2026.

Adam Bauer indicated that there has been a significant amount of development within CFD 2020-1 thus providing a Special Tax Levy sufficient to support the debt issuance of the CFD Bonds and further described the following documents being presented for Board approval to authorize and provide for the issuance of the Special Tax Bonds:

- Preliminary Official Statement,
- Form of the Fiscal Agent Agreement,
- Bond Purchase Agreement, *and*
- Continuing Disclosure Agreement.

Action: Upon motion by Ferro, seconded by Smith; motion to approve the following Resolution passes with unanimously:

RESOLUTION NO. 2022-12

**RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CENTER
MUNICIPAL WATER DISTRICT, ACTING IN ITS CAPACITY AS THE
LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2020-1 (PARK
CIRCLE EAST/WEST) OF THE VALLEY CENTER MUNICIPAL WATER DISTRICT,
AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF SPECIAL TAX BONDS
OF SUCH COMMUNITY FACILITIES DISTRICT, APPROVING THE FORM OF FISCAL
AGENT AGREEMENT, BOND PURCHASE AGREEMENT, PRELIMINARY OFFICIAL
STATEMENT AND OTHER DOCUMENTS RELATED THERETO AND AUTHORIZING
CERTAIN ACTIONS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS**

Was adopted by the following vote, to wit:

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

9. Award of Professional Services Agreement for Financial Auditing Services and Select Davis Farr LLP as the District's New Auditing Firm:

With the conclusion of the audit for Fiscal Year ended June 30, 2021, the current contract for audit services has expired. At the regular Board meeting of January 18, 2022, the Board Approved the Request for Proposal for Audit Services and appointed two members of the Board of Directors to assist in the appointment of the District Auditors.

In accordance with the District's Administrative Code Section 135.2, staff requested proposals from six accounting firms, of which two, Leaf & Cole, LLP and Davis Farr LLP responded. The Audit Selection Committee evaluated the two proposals; after review and discussions, it was the consensus of the committee, that Davis Farr, LLP be the new auditors for the District.

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Resolution No. 2022-13, authorizing a professional services agreement with Davis Farr LLP to perform the District's fiscal audits for five (5) years was requested.

Action: Upon motion by Smith, seconded by Ferro; motion to approve the following Resolution passes unanimously:

RESOLUTION NO. 2022-13

**RESOLUTION OF THE BOARD OF DIRECTORS OF
VALLEY CENTER MUNICIPAL WATER DISTRICT
ENTERING INTO AN AGREEMENT WITH
DAVIS FARR LLP TO AUDIT THE FINANCIAL RECORDS
OF THE DISTRICT FOR THE FISCAL YEARS ENDING
JUNE 30, 2022, 2023, 2024, 2025, AND 2026**

Was adopted by the following vote, to wit:

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

10. Award the Construction Contract for the Burnt Mountain and Reidy Canyon Nos. 1 & 2 Reservoir Paint and Recoat Project [Project No. 01-06-78-51401]:

Project Manager Sandoval provided a summary of the Brunt Mountain and Reidy Canyon No. 1 Reservoir Paint and Recoat Project ("Project"). The Project consists of the cleaning, structural repair, interior coating, and exterior painting of the Burnt Mountain and Reidy Canyon No. 2 Reservoirs and exterior painting only of Reidy Canyon No. 1. Additional work includes the removal of the interior ladders, removing and replacing existing earthquake straps, and removing and replacing rafters, rafter tail nuts, and bolts.

- **Burnt Mountain** is a 74-ft. diameter by 34-ft. tall (base to roof) 1.0-million-gallon aboveground welded steel potable water reservoir.
- **Reidy Canyon No. 1** is a 50-ft diameter by 35-ft. tall (base to roof) 0.5-million-gallon aboveground welded steel potable water reservoir (*interior last recoated in 2019*).
- **Reidy Canyon No. 2** is a 70-ft. diameter by 35-ft. tall (base to roof) 1.0-million-gallon aboveground welded steel potable water reservoir.

In the past, change orders were processed for all structural repair work as the structural integrity of rafters cannot be determined from visual observation only. Since change orders typically result in higher markups over bid prices, staff would allocate higher amounts to contingencies when the budget was initially established to account for the unknown quantity of structural repairs that would be required. In order to prevent budget amendment requests and higher markups for change orders, staff included the replacement of all the rafters in the base bid, stated Mr. Sandoval. Once the rafters are sand blasted, staff will determine the number of rafters that need to be replaced; if not all the rafters need to be replaced, a deductive change order will be processed based on the unit prices of the ranges not utilized. For this project, the total number of rafters was broken up into four ranges to provide for reduced unit price for each range.

In accordance with the formal bidding procedures set forth in Article 140.2(b) of the District's Administrative Code, the District received bids for the Project on March 30, 2022. Six out of nine contractors that perform painting and coating projects attended the advertised pre-bid

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meetings; however only three bids were received. The apparent low bidder was Advanced Industrial Systems, Inc., with a total bid of \$1,110,000, approximately 9% less than the second bid and 30% higher than the engineer's estimate (\$850,000 at the time of bid). Staff discussed the engineer's estimate disparity with the contractor, and it was indicated that the recent 20% increase in material, union hourly wages, and gas/diesel prices increased costs.

Sufficient funding to award the contract is not available in the current project budget, and additional funding in the amount of \$190,000 is required. The Paint and Recoat Contract award is subject to this reallocation of funds in the proposed FY 2022-2023 Annual Budget. The contract allows for one hundred twenty (120) calendar days for the project, with an estimated completion date of September 6, 2022.

Staff recommended adoption of Resolution No. 2022-14, awarding the construction contract for the Burnt Mountain and Reidy Canyon Nos. 1 & 2 Paint and Recoat Project to Advanced Industrial Systems, Inc. for their low bid amount of \$1,110,000.

Action: Upon motion by Babineau, seconded by Ferro; motion to approve the following Resolution passes unanimously:

RESOLUTION NO. 2022-14

**RESOLUTION OF THE BOARD OF DIRECTORS OF
VALLEY CENTER MUNICIPAL WATER DISTRICT
AWARDING THE CONSTRUCTION CONTRACT FOR
THE BURNT MOUNTAIN AND REIDY CANYON NOS. 1 & 2
RESERVOIRS PAINTING AND RECOATING PROJECT
[PROJECT NO. 01-06-78-51401]**

Was adopted by the following vote, to wit:

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

INFORMATIONAL AGENDA

11. Revenue and Expense Projections in the Proposed 2022-2023 Budget and Review of Budget Policies:

A preview of the budget for Fiscal Year 2022-23 was presented by Manager of Accounting Velasquez, for final approval to be sent to the Board in May. The following is an overview of major assumptions, capital projects, and changes expected in the updated budget.

Local Revenues:

Current Board policy states that the District's local water rates and charges, which include but are not limited to the District's Local Commodity Charges and Monthly Meter Service Charge, be set so that revenue from these sources would fully cover the District's local operating costs, excluding wholesale water and power costs. Presently, the combination of the two revenues is not sufficient to fully cover the District's local operating costs. As a result, other non-operating revenues including investment income, lease revenues, and delinquent penalties make up the difference. It is the District's goal to close that gap over the next three years, and meet that goal by Fiscal Year 2024-25.

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At the time this report was being completed, staff was still reviewing the possibility of an increase to both the monthly service charge and the VCMWD Commodity Rate. The current monthly service charge for a ¾-inch meter is \$45.12 and for a 1-inch meter \$61.64. Included in the proposed budget is a new revenue source for billing inactive meters ½ of the meter service charge. More information will be available at the May 16, 2022 Board Meeting.

Water Sales:

Actual water sales for Fiscal Year 2021-22 are estimated at 16,100-acre feet. That's 900-acre feet, or 5.29% less than the budgeted sales of 17,000-acre feet. Calendar Year 2021 marked significant changes to the eligibility requirements for the Permanent Supplemental Agricultural Water Rate (PSAWR) customers. For Fiscal Year 2022-2023, staff feels reducing the estimated sales to 16,500-acre feet would be more reasonable and reflective of the effect that the new PSAWR requirements had on agricultural sales. Based on the current rates from the SDCWA, VCMWD Permanent Special Agricultural Water Rate (PSAWR) customers pay a retail rate that is \$584 or 25% lower than their domestic counterparts.

Wholesale Water Rates:

At the time that this report was being prepared, information for proposed rates from the San Diego County Water Authority (SDCWA) were not yet available. Included in the preliminary budget numbers are estimates for minimum increases based on the most recent information received regarding their wholesale commodity rates, stated Ms. Velasquez. The SDCWA will be providing actual wholesale cost increase numbers later in May and are now anticipated to increase between 3.4% up to 8.5% for treated water.

Also included in the water charges from SDCWA and Metropolitan Water District (MWD) are fixed charges for capacity, readiness to serve, customer service, emergency storage, and supply reliability. *Note: Final rate recommendations will be based upon actual rate increases from SDCWA and MWD. Actual rates to be adopted effective February 1, 2023, may be different.*

Additionally, the SDCWA annually assesses the District a fixed charge based on the number and size of the active meters within the District. The charge to the District is passed through and collected from active customers. Effective January 1, 2022, the SDCWA IAC for a ¾-inch meter is \$4.24. It is unknown at this time what the rate for Calendar Year 2023 will be; however, more information should be available after May 26, 2022.

Pumping Rates:

Total energy costs including electricity, natural gas, and pump and motor maintenance are estimated to increase 15.2% over the prior year budget. In order to recover a higher portion of the total energy costs including electricity, natural gas, and pump and motor maintenance. Included in the preliminary budget and in the pumping revenues stated above is a 10% increase to the pumping rates. In order to break even, the District would have to increase the pumping rates by 29%. Instead of attempting to recover the loss in one year, staff recommends working towards recovering all energy costs over the next 2 years. In the meantime, the deficit will be recovered with other miscellaneous non-operating income.

Property Taxes:

Secured property taxes are budgeted at \$2,766,000 for 2022-23, 2% more than our estimate for the current year. The District will also receive \$573,000 in water availability charges. The revenues collected entirely from both sources will fund a portion of the proposed new Capital Improvement appropriations.

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Investment Income:

Investment Income is budgeted at \$274,000 for Fiscal Year 2022-23, 79% higher than budgeted in the current year. The estimated rate of return is 0.80%, compared to the prior year budgeted rate of return at 0.50%. The Federal Reserve is planning to increase the Federal Funds Rate multiple times in the coming year in an effort to offset the upward pressures on inflation caused by supply and demand imbalances related to the pandemic and the invasion of Ukraine by Russia. Staff anticipates that because of the conservative holdings it currently has it will take at least one year before the District's portfolio sees the full effects of the planned increases to interest rates.

Personnel:

Staffing necessary to maintain operating, maintenance and administrative service levels for Fiscal Year 2022-23 is proposed at 72 full-time equivalent (FTE's) positions; an increase of 2 FTE's compared to the 2021-22 Budget. A cost of living salary adjustment is included in the calculations at 4.5%, in accordance with the current Memorandum of Understanding as well as average overall merit increases totaling 1.9% have also been included in the budgeting considerations for Fiscal Year 2022-23. There are three employees scheduled to retire in the coming year with overlap for training purposes included in the FY 2022-23 Budget.

Operating Expenses:

Total operating expenses shown below, excluding Source of Supply, are budgeted at a total of \$15.0M compared to \$14.3M for the current Fiscal Year, a net increase of \$0.7M or 5% year-over-year. The following items are included in the increase.

- **General Administration Dept.** expenses are budgeted to increase 5% largely due to increased labor and benefits partially offset by decreased outside professional and legal services.
- **Finance Dept.** expenses, including debt service of \$46,705, are budgeted to increase by 2.4% more than the current year. The increase is due to higher outside professional services, temporary labor, overtime, insurance premiums, and postage. Increases are partially offset by decreases to the write-off of uncollectible accounts and labor and benefits.
- **I.T. Dept.** budget amount is expected to increase 3.9% due to an increase in the cost of maintenance agreements partially offset by a decrease in labor and benefits.
- **Engineering Dept.** budget is estimated to be 6.9% greater than last year. The increase represents higher labor and benefits that includes the new GIS/Mapping Technician position and software technical support partially offset by decreases in temporary labor, overtime, and special department expenses.
- **Operations and Facilities Dept.** water expenses for 2022-23 are expected to increase 5%. The increase is due to higher labor & benefits that includes the new Safety & Regulatory Compliance Officer position, outside professional services, regulatory permits and fees, meter and backflow installation costs, and maintenance costs. That increase is partially offset by a decrease in temporary labor.

State Revolving Fund (SRF):

- The District currently has three Clean Water State Revolving Fund (SRF) Loans with an outstanding balance in the amount of \$19,521,867 at 2.2% interest. The funds were used solely for the Woods Valley Ranch Wastewater Expansion Project. In Fiscal Year 2022-23, Debt Service payments against this loan will amount to \$1,542,388.

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- In addition, a Safe Drinking Water State Revolving Fund loan for the Cool Valley Reservoir Cover/Liner replacement was obtained by the District. At June 30, 2022, the outstanding amount of the loan will be \$2,929,134 at 1.6% interest. The Debt Service payment is \$220,421 for Fiscal Year 2022-23.
- On March 21, 2022, the Board authorized an SRF Financing Agreement totaling \$8,500,000 to fund the following three projects: 1. Oat Hill Pump Station Discharge, 2. Gordon Hill Rd Pipeline, and 3. Lilac Road Pipeline. The term of the loan will be 30 years at an interest rate of 1.2%. Construction periods vary for the three projects with the first beginning in March 2022 and the final completing in May 2023.

Reserves:

Fiscal Year 2022-23 will still meet the reserve requirements as set forth in the District's Strategic Goals.

Wastewater:

It is anticipated that both Wastewater Reclamation Facilities, Moosa and Woods Valley Ranch, will each have sufficient operating revenues to meet the anticipated operating costs for Fiscal Year 2022-23. However, the new proposed capital appropriations will require additional funding from the Replacement Reserve. It is also anticipated that Woods Valley Ranch WRF will have sufficient revenues to meet the anticipated operating and capital costs. Woods Valley Ranch and the Expansion are both expected to have sufficient revenue to fund the new appropriations with no need to use funds from the Replacement Reserve.

- **Lower Moosa Canyon:** The preliminary budget indicates that an increase to the wastewater service charges and the low pressure wastewater collection system maintenance fee is necessary to ensure funding of the Replacement Reserve. Included in the preliminary budget is a 5.2% increase to the Moosa wastewater service charge bringing the current monthly charge of \$58.67 up \$3.05 per Equivalent Dwelling Unit (EDU) to \$61.72 to offset inflationary impacts.

The budget also includes a 5.2%, or \$2.51 increase to the low pressure wastewater collection system maintenance fee. The increase will raise the current monthly charge of \$48.42 to \$50.93 per EDU to offset inflationary impacts.

- **Woods Valley Ranch:**

- Rates: The sewer service charges of \$98.60 per month, or \$1,183.20 per year will remain the same as no increase is required. Sewer standby fees for properties not yet connected to the sewer system will remain unchanged at \$550.32 per EDU and will be utilized to fund the replacement reserve. The preliminary budget does include a 5.2% increase to the grinder pump maintenance charge for those properties requiring a grinder pump unit to offset inflationary impacts. With this inflationary increase the rate would change from \$48.42 to \$50.93 per month. On an annual basis the fee would increase from \$581.04 to \$611.16 per year. *All fees and charges related to the Woods Valley Ranch Wastewater will be collected as a fixed charge special assessment on the property tax roll.*

- Woods Valley Ranch Wastewater Expansion Project:

- The property owners that benefit from the Expansion are assessed via the property tax roll a fixed charge special assessment called Assessment District 2012-1 (AD 2012-1). The Debt Service related to all three SRF loans discussed above, are paid for completely with funds collected from AD 2012-1.

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- Series 2022 Special Tax Bonds will need to be sold to fund the next phase of construction for the permanent Orchard Run Lift Station facility due to continued development in the area creating the need for a permanent Lift Station. The bonds will be issued by Community Facilities District (CFD) 2020-1 and represent the first of two bond issuance series anticipated for the CFD. Debt Service related to the Series 2022 Special Tax Bonds will be collected from property owners as a special tax on the property tax roll.
- Staff is in the process of determining the required amounts for the AD 2012-1 assessment and the CFD 2020-1 special tax; more information will be presented in detail at the Board Meeting on June 6, 2022.

Water Capital Projects:

New water capital improvement projects and expenditures total \$6,049,000 of which an estimated \$3.1M will be funded with revenues collected from general property tax, water availability charges, and capacity charges. The remaining \$3.0M will require the use of Capital Improvement Reserve funds which totaled \$5,681,716 at June 30, 2021.

There are \$880,000 dollars in un-appropriated budgeted funds from prior year projects that will not be used which will be carried forward to fund other fiscal year 2022-23 proposed projects. Conversely there is another \$294,000 in un-appropriated budgeted funds from prior year projects that will not be used and will not be carried forward.

Wastewater Capital Projects:

New appropriations for Moosa are proposed at \$660,590 and will require the use of funds from the Replacement Reserve to complete. New appropriations for Woods Valley Ranch are proposed at \$34,000. Construction in Progress (CIP), authorized in prior fiscal years, for Woods Valley Ranch Expansion total \$7,153,086. All of the \$7.1M in CIP projects for this fund are for the Expansion and will be funded with participant deposits and/or CFD 2020-1 Series 2022 Special Tax Bond Proceeds.

Manager of Accounting Velasquez concluded the presentation with a thorough review of the budget policies codified in Administrative Code Section 50.2.

Action: No action required, informational item only. The completed budget will be presented for Board approval at a later date.

12. Financial Impacts of COVID-19 for Quarter Ending March 31, 2022:

An update on the financial impacts of the COVID-19 Pandemic was provided by Director of Finance and Administration Pugh; in addition to a summary of the outstanding balance aging and the number of outstanding accounts at March 31, 2022. March 2022 outstanding balances of \$2,606,966 representing 7,572 accounts, with sales of 822.0-acre feet, compared to December 2021 that had sales of 1,260.6-acre feet with total outstanding balances of \$3,188,048 representing 6,496 accounts.

Total balances in March, 2022, that are greater than 30 days were \$405,608, 15.56% of the outstanding balance, that is down, \$121,876 from December, 2021. Total outstanding balances are down \$581,082 on lower sales volume in March compared to December of 438.6-acre feet. Staff has continued efforts to monitor, contact, and ultimately sending lien letters to VCMWD to reduce outstanding balances, stated Mr. Pugh.

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The District applied for state funds to cover customer arrearages for water consumption from March 4, 2020, through June 15, 2021. The application was submitted to the state on November 24, 2021, with a total amount of \$61,619 eligible for reimbursement.

Mr. Pugh reminded the Board, in November 2021, the District applied for state funds to cover customer arrearages for water consumption for the time period of March 4, 2020 through June 15, 2021. The application was submitted to the state on November 24, 2021, with a total amount of \$61,619 eligible for reimbursement. Of this amount, we were able to credit twenty (20) of the twenty-nine (29) eligible customers \$42,773. The difference is due to the fact that during the timeframe after the application was submitted, customers paid their outstanding balances.

The District recently applied for state funds to cover customer arrearages for wastewater arrearages for the period of March 4, 2020 through June 15, 2021. The deadline to complete the application was April 1, 2022. The application was submitted to the state on March 31, 2022, with a total amount of \$32,615 eligible for reimbursement. In addition, the District also enrolled in the Low-Income Household Water Assistance Program (LIHWAP). The program provides financial assistance to low-income families in California to help manage their water utility costs and is administered by the Department of Community Services and Development.

Action: No action required, informational item only. Staff will continue to monitor and report the results to the Board quarterly.

GENERAL MANAGER'S AGENDA

13. General Information:

The February 2022 Monthly Status Report was received and filed by General Manager Arant.

Action: Informational item only, no action required.

DISTRICT GENERAL COUNSEL'S AGENDA

General Counsel de Sousa reported that on April 7th the Court executed a judgment of dismissal with prejudice in the Kessner litigation (brought as a class action lawsuit in early 2020 against the District and other public agencies throughout the state, generally alleging that the District's water rates violated Prop. 218). The dismissal of the action effectively ends the litigation against the District.

BOARD OF DIRECTORS' AGENDA AND REPORTS ON MEETINGS ATTENDED

None.

ADJOURNMENT

Action: Upon motion by Smith, seconded by Babineau; motion passes unanimously, the regular meeting of the Board of Directors was adjourned at 4:17 p.m.

ATTEST:


Robert A. Polito, President

ATTEST:


Kirsten N. Peraino, Secretary