

VALLEY CENTER MUNICIPAL WATER DISTRICT

Regular Board Meeting

Monday, July 18, 2022 – 2:00 P.M.

Place: Board Room

29300 Valley Center Road; Valley Center, CA 92082

The VCMWD Board of Directors will welcome the public back to its Board Room in a limited capacity while still accommodating remote participation options. Seating inside the Board Room will be spaced to accommodate social distancing, with an option to listen to the meetings on speakers outside of the Board Room. Our Board Meetings will also continue to be livestreamed for those who wish to observe remotely. *Please be advised that one or more members of the VCMWD Board of Directors or staff may participate in this meeting by teleconference consistent with Assembly Bill 361.*

The Valley Center Municipal Water District Board of Directors' meeting was called to order by Vice President Ferro at 2:00 P.M. Vice President Ferro 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: Vice President Ferro, Director Smith and Director Ness (*present in-person*); with Director Holtz teleconferencing.

Board Members Absent: President Polito.

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

PUBLIC COMMENTS / QUESTIONS

Vice President Ferro 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.

CONSENT CALENDAR

Action: Upon motion by Smith, seconded by Ness; and carried with four affirmative votes, the following consent calendar items were approved:

1. **Minutes of the Regular Board Meeting Held Tuesday, July 5, 2022;**
2. **Bid Results and Approval of PO# 114155 for the Purchase of One (1) New Semi-Elliptical Dump Truck;**
3. **Bid Results and Approval of PO# 114235 for the Purchase of Two (2) New Service Vehicles;**
4. **Bid Results and Approval of PO# 114426 for the Purchase of One (1) New Hooklift Truck;**
5. **Audit Demands for Check Nos. 163224 – 163329 from June 24, 2022 – July 7, 2022 and Wire Disbursements for the month of June 2022;** *and*
6. **Expense Reimbursement Disclosures (April 1 – June 30, 2022) per GC §53065.5.**

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ACTION AGENDA

7. Inactive Water Meter Service Charge – Potential Amendments to the Program:

A follow up to the status report presented at the June 6, 2022 Board Meeting was presented by General Manager Arant. The following concepts for potential amendments to the Inactive Water Meter Service Charge Program (IWMSC) were summarized for the Board:

1. **No changes to the IWMSC Program – Pay the IWMSC and sustain the ready access to the full capacity of the meter service** (*50% of the full Meter Service Charge for 2023*).
2. **Adopt amendments to the District's Administrative Code, to include the following changes to the IWMSC Program.**
 - a. **Relinquish capacity rights with an agreement recorded against the property and cease paying the IWMSC.** Capacity and service rights, and thus the obligation to pay the ongoing IMC can be relinquished by executing a Service Discontinuance Agreement with the District which will be recorded with the county on the subject property. The applicant would pay a \$250 agreement processing fee but would be able to apply any IWMSCs paid through September 2022, as a credit against the processing fee. Restoration of service by the same property owner or a subsequent property owner would still have the same conditions as previously stated, full payment of physical meter costs (full-service installation or meter drop-in fee depending on actual site meter service status) and both the VCMWD capacity fees and SDCWA capacity fees as required by SDCWA statute.
 - b. **“Virtually” downsize the meter with an agreement recorded against the property,** and the customer then pays the downsized IWMSC going forward. The original capacity is not relinquished as with Option 2 but retained for the meter account. Collection of the difference in the IWMSCs between the original meter size and downsized meter size is deferred until *if and when* an increased capacity or original full capacity is ever needed for actual service at some point in the future. At that point, the deferred IWMSCs are paid plus interest (*interest charge based upon the interest earned by the District on its investment portfolio during each year of deferral*) and the increased or original capacity is resumed without additional cost. If the customer resumes actual service at the downsized meter capacity, no deferred charges are due and normal service is resumed.
3. **Terminating the IWMSC** – Staff was also directed to include an option for Board consideration to terminate the IWMSC, clear all account balances, and refund amounts previously paid to account holders. If this were to occur, all credits and refunds would be charged to non-water-related revenue such as lease revenue and only to the extent that there are unrestricted revenues available for such purpose.

Public Comments were received by the following VCMWD customers:

- Mr. Matthew Prickett (*in-person*) voiced opposition on the new inactive meter charges.
- Mr. Peter Schaner (*in-person*) voiced opposition on the new inactive meter charges.
- Mr. Mike Klingbeil submitted a written comment, voicing opposition.
- Mr. Joe Veltri submitted a written comment, voicing opposition.

Action: The Board of Directors concurred in deferring action, and requested staff bring back the item at the next Board Meeting on August 1, 2022.

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INFORMATIONAL AGENDA

8. Update on the Financial Impacts of the COVID-19 for the Quarter Ending June 30, 2022:

An update on the financial impacts of the COVID-19 Pandemic was provided by Director of Finance and Administration Pugh. June 2022, outstanding balances of \$4,368,857 representing 8,316 accounts, with sales of 1,673.4-acre feet, compared to March 2022, that had sales of 822.0-acre feet with total outstanding balances of \$2,606,966 representing 7,572 accounts.

Total balances in June 2022, that are greater than 30 days were \$417,984, 9.57% of the outstanding balance, that is up slightly, \$12,376 from March, 2022. Total outstanding balances are up \$1,761,891 on double the sales volume in June compared to March of 851.4-acre feet. Continued efforts to watch, contact, and ultimately send lien letters has been effective in getting our customers to pay, stated Mr. Pugh.

The District applied for state funds to cover customer arrearages for wastewater charges from March 4, 2020, through June 15, 2021. The application was submitted to the state on March 31, 2022, with a total amount of \$32,615 eligible for reimbursement. The full amount of the arrearages has been credited to our customers. Mr. Pugh also reminded the Board that in March 2022 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. To date, no customers have taken advantage of this program.

Within the balances above, there are currently 496 new accounts that make up customers that are being charged for inactive meters. The total outstanding balance at June 30, 2022, for these 496 accounts is \$49,666. Of this total, \$28,488 or 57.4% are greater than 30 days.

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

GENERAL MANAGER'S AGENDA

9. General Information:

The following general informational items were reported on by General Manager Arant:

- Status report on the recently launched WaterSmart customer portal (28% of full-service accounts have signed up for the WaterSmart Customer Portal (not including Fire Meters);
- Status update on the Lower Moosa Canyon and Corporate Solar Projects;
- Summary of Non-Functional Turf Irrigation Prohibition; and
- An overview of the District's Status Report for May 2022.

Action: No action required, informational item only.

DISTRICT GENERAL COUNSEL'S AGENDA

General Counsel de Sousa presented an update on

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BOARD OF DIRECTORS' AGENDA AND REPORTS ON MEETINGS ATTENDED

None.

CLOSED SESSIONS

At any time during the regular session, the Board may adjourn to closed session to consider litigation, personnel matters, or to discuss with legal counsel matters within the attorney-client privilege. Discussion of litigation is within the attorney-client privilege and may be held in closed session. *Authority: Government Code §54956.9.*

10. A closed session was called by Vice President Ferro at 4:10 p.m. pursuant to the following item: Government Code §54956.9(d)(4) – Conference with Legal Counsel; Anticipated Litigation: ***One potential case***

RECONVENE

Action: The Board came out of closed session at 3:37 p.m. with no reportable action.

ADJOURNMENT

Action: Upon motion by Smith, seconded by Holtz; motion passes unanimously, the regular meeting of the Board of Directors was adjourned at 3:38 p.m.

ATTEST:

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Robert A. Polito, *President*

Kirsten N. Peraino, *Secretary*

Approved at a regularly scheduled Board Meeting on Monday, August 1, 2022