

VALLEY CENTER MUNICIPAL WATER DISTRICT  
AGENDA

Regular Meeting of the Board of Directors

Monday, March 6, 2023 — 2:00 P.M.

**The VCMWD Board of Directors welcomes the public to its Board Room in a limited capacity while accommodating remote participation options as a convenience to the public. Seating inside the Board Room will be spaced to accommodate social distancing. Additionally, Board Meetings continue to be livestreamed for those who wish to observe remotely. *Please note that in the event of technical issues that disrupt the meeting livestream or receipt of public comments by phone or email, the meeting will continue.***

Instructions for members of the public who wish to address the Board of Directors:

Members of the public who wish to address the Board of Directors under “Audience Comments/ Questions” or on specific agenda items, may do so as instructed below. All comments will be subject to a limit of three (3) minutes.

- Making Public Comment for Those Attending In-Person: Members of the public who wish to observe or to address the Board may join the Board Members at the noticed, physical location. A Request to Speak slip is required to be submitted to the Board Secretary prior to start of the meeting (*if possible*).
- Phone Comments During the Meeting: Before the meeting, or before public comment period for the item closes during the meeting, submit a telephone number by email to the Board Secretary at [publiccomments@vcmwd.org](mailto:publiccomments@vcmwd.org), together with the agenda item number, and the Board Secretary will call when the board is ready to hear public comments; *or*
- Emailed Comments: Before the meeting, or before public comment period for that item closes at the meeting, email your comments to the Board Secretary at [publiccomments@vcmwd.org](mailto:publiccomments@vcmwd.org) and the Board Secretary and it will be read aloud at the public comment period; *or*
- Written Comments: Written comments can be also be physically dropped off in advance of the meeting at the District’s Administrative Office or mailed in advance of the meeting to 29300 Valley Center Rd., Valley Center, CA 92082, for receipt no later than 1:00 pm on meeting day.

These public comment procedures supersede the District’s standard public comment policies and procedures to the contrary. If modifications or accommodations from individuals with disabilities are required, such persons should provide a request at least 24 hours in advance of the meeting by email to the Board Secretary at [kperaino@vcmwd.org](mailto:kperaino@vcmwd.org).

Meeting Broadcast: Members of the public may watch the meeting electronically by visiting the District’s website at [vcmwd.org/Board/Board-Documents](http://vcmwd.org/Board/Board-Documents) and then clicking the link listed below “live stream” on the page.

Meeting Documents: Board Meeting Packets (*except for closed session materials*) will be made available to the public once distributed to the Board. Please visit the District’s website at [vcmwd.org/Board/Board-Documents](http://vcmwd.org/Board/Board-Documents) for Agenda and related Board Meeting Documents.

**ROLL CALL**

**APPROVAL OF AGENDA**

At its option, the Board may approve the agenda, delete an item, reorder items and add an item to the agenda per the provisions of Government Code §54954.2.

**Valley Center Municipal Water District  
Board of Directors' Meeting Agenda**

**AUDIENCE COMMENTS/QUESTIONS**

Comments and inquiries from the audience will be received on any matter not on the agenda, but within the jurisdiction of the Board. Comments and inquiries pertaining to an item on the agenda will be received during the deliberation of the agenda item (Government Code §54954.3).

**CONSENT CALENDAR**

Consent calendar items will be voted on together by a single motion unless separate action is requested by a Board member, staff or member of the audience.

1. **Minutes of the Regular Board Meeting Held Tuesday, February 21, 2023;**
2. **Audit Demands;**
3. **Treasurer's Report for Month Ending January 31, 2023; and**
4. **Request to Set Public Hearing Date for Water Availability Charges (Resolution No. 2023-06).**

**ACTION AGENDA**

5. **Consider Adoption of Resolution No. 2023-07, Authorizing the General Manager to Enter into the Agreement between VCMWD, San Diego County Water Authority (SDCWA), and Yuima Municipal Water District (YMWD) for Funding the Construction and Operation of the North County Emergency Storage Project (NCESP) – Valley Center Improvements (VCI):**

Request authorization for the General Manager to Enter into the Agreement between VCMWD, San Diego County Water Authority (SDCWA), and Yuima Municipal Water District (YMWD) for Funding the Construction and Operation of the NCESP – VCI.

- a. Report by District Engineer
- b. Discussion
- c. Audience comments/questions
- d. If desired, motion to approve or deny Resolution No. 2023-07

**INFORMATIONAL AGENDA**

6. **Closeout Report for the Lower Moosa Canyon Main MCC Replacement Project:**

Closeout report for the Lower Moosa Canyon Main MCC Replacement Project will be presented.

- a. Report by District Engineer
- b. Discussion
- c. Audience comments/questions
- d. Informational item only

7. **Closeout Report for the Burnt Mountain and Reidy Canyon Nos. 1 & 2 Reservoirs Painting and Recoating Project:**

Closeout report for the Burnt Mountain and Reidy Canyon Nos. 1 & 2 Reservoirs Painting and Recoating Project will be presented.

- a. Report by District Engineer
- b. Discussion
- c. Audience comments/questions
- d. Informational item only

**Valley Center Municipal Water District  
Board of Directors' Meeting Agenda**

**GENERAL MANAGER'S AGENDA**

**8. Action to Support of Application for House and Senate Interior, Environmental & Related Agencies Appropriations; Including Adoption of Resolution No. 2023-08:**

The Board will consider action to support the District's application for Federal Infrastructure funding through the House and Senate Interior, Environment & Related Agencies Appropriations.

- a. Report by General Manager
- b. Discussion
- c. Audience comments/questions
- d. If desired, motion to approve or deny Resolution No. 2023-08

**9. SB 366 (Caballero) California Water Plan: Long-Term Supply Targets: Support for "CA Water For All":**

The Board will consider action to participate in the legislative and public relations effort "CA Water for All" to ensure SB366 is passed into law with a financial commitment of up to \$20,000.

- a. Report by General Manager
- b. Discussion
- c. Audience comments/questions
- d. If desired, motion to approve or deny staff's recommendation

**10. San Diego County Water Authority's Board Meeting Summary:**

A report on the San Diego County Water Authority's Board of Directors' Meeting of February 23, 2023 will be provided.

- a. Report by General Manager
- b. Discussion
- c. Audience comments/questions
- d. Information item only, no action required

**11. General Information:**

General Informational items will be reviewed.

- a. Report by General Manager
- b. Discussion
- c. Audience comments/questions
- d. Information item only, no action required

**DISTRICT GENERAL COUNSEL'S AGENDA**

**BOARD OF DIRECTORS' REPORTS ON MEETINGS ATTENDED**

**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.*

**Valley Center Municipal Water District  
Board of Directors' Meeting Agenda**

**ADJOURNMENT**

**NOTICE TO THE PUBLIC:**

This agenda was posted at least 72 hours before the meeting in a location freely accessible to the public. No action may be taken on any item not appearing on the posted agenda, except as provided by Gov. Code §54954.2. Any written materials provided to a majority of the Board of Directors within 72 hours prior to the meeting regarding any item on this agenda will be available for public inspection on the District's website. The agenda is available for public review on the District's website, <http://www.vcmwd.org>.

For questions or request for information related to this agenda contact Kirsten Peraino, *Board Secretary*, at (760) 735-4517 or [publiccomments@vcmwd.org](mailto:publiccomments@vcmwd.org). Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the American with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the Board Secretary at least 48 hours before the meeting, if possible.

**— End of Agenda —**

## VALLEY CENTER MUNICIPAL WATER DISTRICT

Regular Board Meeting

**TUESDAY, February 21, 2023 – 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 PM, via teleconference and in-person.** 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 remotely clearly, and that all votes would be taken by a roll call vote pursuant to the provisions of the Brown Act. The meeting was also livestreamed.

### **ROLL CALL**

**Board Members Present:** *President Polito, Vice President Ferro, Director Smith, and Director Ness.*

**Board Members Absent:** Director Holtz

**Staff Members Present:** *General Manager Arant, Director of IT Pilve, District Engineer Grabbe, Director of Finance and Administration Pugh, Manager of Accounting Velasquez, Executive Assistant/Board Secretary Peraino present in-person; with General Counsel de Sousa, and Federal Consultant Howells (HGR) teleconferencing.*

### **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.

### **CONSENT CALENDAR**

1. **Minutes of the Regular Board Meeting Held Monday, February 6, 2023;**
2. **Audit Demands for Check Nos. 165346 – 165474 from January 27 thru February 9, 2023 and Wire Disbursements for the Month of January 2023;**
3. **Treasurer's Report for Month Ending December 31, 2022;**
4. **Quarterly Financial Report;** *and*
5. **Board of Director's Request for Reimbursement of Expenses and Report of Expense Reimbursements per Government Code §53065.5.**

**Action:** Upon motion by Smith, seconded by Ferro; and carried with four affirmative votes, the previously listed consent calendar items were approved.

Valley Center Municipal Water District  
Board of Directors' Meeting Minutes

**ACTION AGENDA**

**6. Approval of Resolution No. 2023-04, Adopting the Lower Moosa Canyon Water Reclamation Facility Master Plan 2023 Update and Find that Such Action is Exempt from Environmental Review Under the California Environmental Quality Act Pursuant to State CEQA Guidelines Sections 15378, 15262 And 15061(B)(3):**

The Master Plan 2023 Update for the Lower Moosa Canyon Water Reclamation Facility (WRF), was presented by District Engineer Grabbe, who reminded the Board of the initial presentation at the January 17, 2023 Board Meeting. Projects proposed for completion within the next five to ten years to replace critical infrastructure that has reached the end of its service life or operational efficiency will be identified. In addition, the master plan update will evaluate the service area needs and identify capacity requirements for a 20-year planning horizon. The Lower Moosa Canyon WRF Collection Systems consists of 27-miles of Gravity, Low-Pressure Sewer (LPS) and Forcemain collection lines, 2 Lift Stations (Meadows Lift Station and Islands Lift Station) and 2 Odor Control Facilities.

Limited development potential is expected in the service area over the 20-year planning horizon (evaluated as part of the Master Plan Update), eliminating the need to consider expansion improvements. Also, previously proposed major developments in and adjacent to the service area were either served by another agency or were not able to secure the General Plan amendments needed and have since been abandoned. Projected development remaining within the service area is not expected to cause the average daily flows to exceed the current capacity of the two facilities. The 2023 Capital Improvement Program proposed in the 2023 Master Plan Update is primarily for replacing aging infrastructure, replacing out dated technology, and improving reliability, redundancy and overall operating efficiencies of the facility.

A brief summary of the proposed projects in each of the categories was given by Mr. Grabbe:

- Continuing Projects consist of aeration piping replacement, Clarifier No. 1 mechanical components replacement, headworks modifications (recommended combining with proposed Priority 2 Projects), and Meadows Lift Station MCC replacement.
- Priority 1 Projects consist of influent channel slide gate, discharge line appurtenances, washwater system and Clarifier No. 2 equipment replacement, server room relocation, and Priority 2 Project preliminary design.
- Priority 2 Projects consist of partial replacement of pre-treatment processes (phase 1).
- Priority 3 Projects consist of partial replacement of the existing pre-treatment and headworks processes (phase 2).
- Priority 4 Projects consist of secondary treatment processes.

A proposed implementation plan was developed to establish a funding recommendation for the proposed \$10.7 Lower Moosa Canyon WRF 2023 Capital Improvement Program (2023 CIP). The 2023 CIP includes \$1.5M in funded continuing projects and \$9.0M in new projects. This implementation plan proposes a phased construction of four new project groupings over multiple years considering the importance and urgency of each project group while balancing annual capital expenditures with available revenues. The Priority 1 projects are proposed to be funded using interim financing from the District's General Fund and repaid over a three to four-year period from the Lower Moosa Canyon WRF net revenues. Priority level 2 through 4 projects are proposed to be funded from Clean Water SRF Loans with repayment from net revenues (current terms are 1.875% for a 20-year loan and 2.125% for a 30-year loan).

## **Valley Center Municipal Water District Board of Directors' Meeting Minutes**

With less than thirty new EDUs connections over the last ten years and no new major developments on the horizon, additional capacity needs for the 20-year planning horizon are estimated to be in the range of 15,000 to 30,000 gpd. This level of capacity increase is well within the capacity range of the existing facilities; thus, no expansion facilities are proposed for the 20-year planning horizon. Flow rates for the Master Plan Update's 20-year planning horizon are projected in the range of 15,000 to 30,000 gpd based on extrapolating the number of connections over the past 20 years. The plant presently has 1,557 connected customers that represent total active connections of 2,490 EDUs.

Future connections are divided into two groups - Buildout Level 1 and Buildout Level 2:

Buildout Level 1 includes potential customers that at one time had capacity in the Moosa facility, but whose agreements for capacity have expired and the property was never connected and properties whose owners have expressed interest in capacity in the past but never followed through in reserving capacity. Total estimated capacity through Buildout Level 1 is estimated at 3,000 EDUs, an additional 510 EDUs over the current number of active connections. It was also noted that the Lilac Hills Ranch and the Meadowood Development were included in previous capacity estimates for planned buildout, but have been eliminated in this evaluation. The County's current land use designations for property making up the Moosa Service Area were evaluated and adjustments to the service area boundary are proposed. The proposed revisions include eliminating conservation lands that will not be served with sewer, eliminating rural land use designation with 2-acre or more minimum lot requirements, and adding properties with land use designations allowing up to 1-acre minimum lot size.

Buildout Level 2 represents the maximum number of units that could be added to the service area without having to expand the current onsite facilities, provided the average flow per EDU remains at its current levels. Due to uncertainties in the density and extent of development within the service area the total number of parcels/connections an additional Buildout Level 2 is included to increase the ultimate buildout to 3400 EDUs, an additional 400 EDUs above the current active connections and Buildout Level 1. If the average flow per EDU increases above its current levels, then capacity increases would be required beginning with the percolation pond capacity, the limiting factor in the disposal of the treated effluent.

### **Environmental Considerations:**

It has been determined that adoption of the Moosa Master Plan 2023 Update is exempt from environmental review under the California Environmental Quality Act ("CEQA"), Public Resources Code section (§) 21000 et seq. pursuant to State CEQA Guidelines §15378 (not a project subject to CEQA review), §15262 (statutory exemption for planning studies), and §15061(b)(3) (no possibility of significant environmental effect) in addition to the District's Local Guidelines for Implementing the California Environmental Quality Act. The Moosa Master Plan 2023 Update is a planning tool for the replacement and upgrade of existing District facilities and does not commit the District to any of the identified projects. Individual projects identified in the Master Plan would be subject to future environmental review, as required under the SWRCB's CEQA Plus provisions (a combination of both CEQA and National Environmental Policy Act requirements) the SWRCB developed for the SRF programs as a result of the combination of state and federal funds used for the programs.

Staff recommended approving Resolution No. 2023-04, adopting the Lower Moosa Canyon WRF 2023 Master Plan Update, finding it exempt from CEQA, and directing staff to file a Notice of Exemption. Lastly, staff will incorporate proposed service charge recommendations in the FY 2023-24 Budget and in the Proposition 218 Notification.

**Valley Center Municipal Water District  
Board of Directors' Meeting Minutes**

**Action:** Upon motion by Ferro, seconded by Smith; the following Resolution was approved with four affirmative votes:

**RESOLUTION NO. 2023-04**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
VALLEY CENTER MUNICIPAL WATER DISTRICT ADOPTING THE  
LOWER MOOSA CANYON WATER RECLAMATION FACILITY  
FEBRUARY 2023 MASTER PLAN UPDATE AND FINDING SUCH  
ACTION EXEMPT FROM ENVIRONMENTAL REVIEW UNDER  
THE CALIFORNIA ENVIRONMENTAL QUALITY ACT PURSUANT  
TO STATE CEQA GUIDELINES §15378, 15262 & 15061(B)(3)**

was adopted by the following vote, to wit:

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

**7. Approval of General Manager's Amended Employment Agreement, and Adoption of Ordinance No. 2023-02 to Amend Administrative Code Section 8.9 to Reflect Adjustment to the General Manager's Compensation:**

Prior to taking final action on an executive's compensation, an oral report summarizing the recommended action must be made in open session per the Brown Act. General Counsel de Sousa reported that the Board had conducted its annual performance evaluation and compensation review of the General Manager at the regular meetings of January 17, 2023 and February 6, 2023. Based upon the discussions and completion of successful negotiations, an amended Employment Agreement to be effective January 1, 2023 increasing the General Manager's annual compensation by 4.1%, from \$244,111.50 to \$254,120.00, along with a performance bonus of \$15,000, was presented for approval.

Mr. Matthew Prickett sent an email requesting his comment be read aloud, voicing opposition to the General Manager's amended Employment Agreement.

**Action:** Upon motion by Smith, seconded by Ness; the following Ordinance was approved with four affirmative votes:

**ORDINANCE NO. 2023-02**

**ORDINANCE OF THE BOARD OF DIRECTORS OF  
THE VALLEY CENTER MUNICIPAL WATER DISTRICT  
AMENDING THE ADMINISTRATIVE CODE TO PROVIDE  
FOR CHANGES IN THE AMENDED AGREEMENT  
FOR THE GENERAL MANAGER**

was adopted by the following vote, to wit:

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



**Valley Center Municipal Water District  
Board of Directors' Meeting Minutes**

**GENERAL MANAGER'S AGENDA**

**8. General Information:**

General informational items were reported on by General Manager Arant.

**Action:** Informational item only, no action required.

**DISTRICT GENERAL COUNSEL'S AGENDA**

None.

**BOARD OF DIRECTORS' AGENDA:**

**9. Adoption of Resolution No. 2023-05, Placing Director Oliver Smith into Nomination for the ACWA—JPIA Executive Committee:**

ACWA—JPIA has announced that there are four (4) Executive Committee positions up for election for the 2023-27 election cycle; with two incumbents seeking re-election and two vacant positions due to a retirement and a local election result. Director Smith, our ACWA—JPIA Board Representative and a Member of the Property Committee, has expressed an interest in running for one of the two open positions.

Staff recommended adoption of Resolution No. 2023-05, placing Director Oliver Smith in nomination for the Association of California Water Agencies-Joint Powers Insurance Authority (ACWA—JPIA) Executive Committee and direct staff to proceed seeking three concurring nominations from other ACWA—JPIA member districts.

**Action:** Upon motion by Ferro, seconded by Ness; the following Resolution was approved with four affirmative votes:

**RESOLUTION NO. 2023-05**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
VALLEY CENTER MUNICIPAL WATER DISTRICT NOMINATING  
ITS ACWA—JPIA BOARD MEMBER TO THE EXECUTIVE  
COMMITTEE OF THE ASSOCIATION OF CALIFORNIA WATER  
AGENCIES JOINT POWERS INSURANCE AUTHORITY**

was adopted by the following vote, to wit:

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

**BOARD OF DIRECTORS' REPORTS ON MEETINGS ATTENDED**

None.

**Valley Center Municipal Water District  
Board of Directors' Meeting Minutes**

**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.*

**ADJOURNMENT**

**Action:** Upon motion by Ferro, seconded by Ness; motion passes unanimously, the regular meeting of the Board of Directors was adjourned at 3:36 p.m.

**ATTEST:**

**ATTEST:**

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**Robert A. Polito, *President***

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**Kirsten N. Peraino, *Secretary***

VALLEY CENTER M.W.D.  
DISBURSEMENTS  
FOR PERIOD FEBRUARY 10, 2023 THROUGH FEBRUARY 16, 2023

**FEBRUARY**

CHECK #	PAYEE	DESCRIPTION	AMOUNT
165475	- 165476 Payroll	Payroll 01/27/23-02/10/23	3,551.79
165477	- 165480 Payroll	Payroll 01/27/23-02/10/23	831.15
165481	A-1 Irrigation, Inc	Materials - Field	2,826.11
165482	ACWA/JPIA	Blue Cross Medical Premiums - March 2023	63,417.76
165483	ACWA-JPIA	Return of Unused Funds for 2021-2022 Wellness C	200.90
165484	Alpha Analytical Laboratories, Inc.	Testing	2,580.00
165485	Alpha Analytical Laboratories, Inc.	Testing	680.00
165486	Amazon Capital Services	Materials - IT	2,770.25
165487	Richard C. Ambler, Jr.	Materials - Field	1,977.88
165488	Ameresco Inc	Materials - Field	1,675.39
165489	Aqua-Metric Sales Company	Materials - Field	25,007.91
165490	AWWA	Membership Renewal 4/1/23-3/31/24 - Wally Grabt	106.00
165491	Babcock Laboratories, Inc	Testing	260.00
165492	California Society of Municipal Finance	2023 CSMFO Management Membership Renewal	125.00
165493	Capital Industrial Coatings	Meadows No. 1 & Reid Hill Reservoirs Painting & F	287,312.30
165494	Complete Office of California, Inc	Office Supplies	200.54
165495	Core & Main LP	Materials - Field	7,218.58
165496	Corodata Media Storage, Inc.	Record Storage - January 2023	218.79
165497	County Recorder of San Diego	Release Lien-Gerchufsky Robert M & Paula B	40.00
165498	Culligan of Escondido	Washrack Service	170.00
165499	Brandon Dendy	Safety Boot & Educational Reimbursement	578.39
165500	Diamond Environmental Services, LP	Services	810.00
165501	DIRECTV	Mossa Dish Service 02/11/23-03/10/23	45.99
165502	Hank Erler	Erler/Carney Rd F.H. Final Accounting	3,074.32
165503	Escondido Metal Supply	Materials - Field	195.28
165504	FedEx	Shipping Service	27.94
165505	Fidelity Security Life Insurance Company	Vision Plan Premium - February 2023	1,266.90
165506	G&W Truck & SUV Accessories	Vehicle Maintenance	221.91
165507	Gosch Ford Escondido	Vehicle Maintenance	160.90
165508	Grainger, Inc	Materials - Field	2,094.19
165509	HD Supply Facilities Maintenance Ltd.	Materials - Field Customer #19969	431.56
165510	HealthEquity Inc.	Employee Contributions 01/27/23-02/10/23	1,004.14
165511	Infosend	A/R Processing, Mail & Postage	6,932.85
165512	International City Mgmt Association Re	MissionSquare Remittance - 01/27/23-02/10/23	5,462.63
165513	International City Mgmt Association Re	MissionSquare Remittance- 01/27/23-02/10/23	11,832.93
165514	Johnson Equipment Company	CIP Vehicles	81.09
165515	Kaiser Foundation Health Plan Inc	Medical Premiums/Purchaser ID 104350 - Februar	65,709.00
165516	Kennedy/Jenks Consultants	Services	2,973.75
165517	Karen Knepp	Refund Check 014081-000, 27463 Red Ironbark D	183.84
165518	Krueger Realty Durant	Refund Check 008196-001, 29047 Husted PI	66.05
165519	Matheson Tri-Gas Inc	CIP Vehicles	17,392.75
165520	McMaster-Carr Supply Company	Materials - Field	26.54
165521	MGM Plastics Inc	Materials - Field	862.00
165522	Garnishment	Garnishment Paydate 02/16/23	346.15

VALLEY CENTER M.W.D.  
DISBURSEMENTS  
FOR PERIOD FEBRUARY 10, 2023 THROUGH FEBRUARY 16, 2023

**FEBRUARY**

CHECK #	PAYEE	DESCRIPTION	AMOUNT
165523	National Safety Compliance, Inc	Annual Admin Fee & DQF Online Monthly Fee	208.40
165524	Nestle Waters North America	Deliveries - January 2023	113.08
165525	North County Lawnmower, Inc.	Materials - Field	755.56
165526	OneSource Distributors, LLC	Materials - Field	209.89
165527	Palomar Broadband Inc.	Services	69.95
165528	PEBSCO/Nationwide Retirement	Deferred Compensation 01/27/23-02/10/23	9,050.30
165529	Pinpoint Pest Control	Bee/Wasp Control	125.00
165530	Polydyne Inc.	Chemicals	1,856.88
165531	Powerwerx, Inc.	Vehicle Maintenance	86.45
165532	PSC	Traffic Control & Flagger Safety Training	320.00
165533	RAMCO	Materials - Field	477.62
165534	Cliff Reeh	Safety Boot Reimbursement	200.00
165535	Reliance Standard Life Insurance	Life Insurance Premiums - February 2023	8,465.16
165536	Richard Brady & Associates, Inc.	Services	4,997.50
165537	Rockwell Construction Services, LLC	Services	4,700.00
165538	Scelzi Equipment, Inc	Vehicle Maintenance	2,542.93
165539	Self Insured Services Company	Medical & Dental Insurance Premiums - February 2	710.00
165540	Service Lighting & Electrical Supplies	Materials - Field	2,376.02
165541	Sierra Analytical Labs, Inc	Testing	600.00
165542	Supreme Oil Company	Gasoline and Oil	12,936.90
165543	Jared Thomas	Safety Boot Reimbursement	200.00
165544	Underground Construction Co. Inc	Refund Check 018663-000, 04054834 FH@12755	1,364.21
165545	Underground Service Alert/SC	Services - February 2023	65.80
165546	United Water Works, Inc.	Materials - Field	10,382.79
165547	United Way of San Diego County	Employee Contributions 01/27/23-02/10/23	20.00
165548	UPS	Shipping Services	18.41
165549	VCMWD Employees Assoc.	Employees Contributions 01/27/23-02/10/23	671.50
165550	Arianna Villa	Refund Check 005820-000, 28613 Meadow Glen \	54.17
165551	Jacob Villalobos	Educational Reimbursement	161.00
165552	John VonBorstel	Medicare Reimbursement - 4th Qtr 2022	969.60
165553	Walter's Wholesale Electric Co	Materials - Field	2,318.50
TOTAL			<u>589,979.07</u>

Approved By: \_\_\_\_\_

General Manager

\_\_\_\_\_  
Director of Finance & Administration

VALLEY CENTER M.W.D.  
DISBURSEMENTS  
FOR PERIOD FEBRUARY 17, 2023 THROUGH FEBRUARY 23, 2023

**FEBRUARY**

CHECK #	PAYEE	DESCRIPTION	AMOUNT
165554	Advanced Industrial Services, Inc.	Burnt Mtn. & Reidy Canyon No. 1-2 Reservoirs Pai	58,535.30
165555	Ardurra Group, Inc.	Services - November and December 2022	61,067.50
165556	AT&T	Services	34.04
165557	AT&T Mobility	Services - Account No. 287290784385	3,778.46
165558	Babcock Laboratories, Inc	Testing	315.00
165559	Porches at Park Circle Beazer Homes	Refund Check 016874-063, 27949 Silo Ln	98.60
165560	Bender Rosenthal, Inc.	Services - SoCal Project	136.88
165561	Best Best & Krieger LLP	Legal Services - January 2023	7,680.12
165562	Busy Bees Locks & Keys, Inc.	Services - Moosa Door Repair	475.58
165563	CCL Contracting, Inc.	Gordon Hill Pipeline Replacement Project 01-06-78	292,494.07
165564	CDW Government	Materials - IT	171.74
165565	City of Escondido	Escondido Woods Sewer Charges - February 2023	2,304.89
165566	Complete Office of California, Inc	Office Supplies	1,604.46
165567	County of San Diego	Permits	3,288.00
165568	Fieldman, Rolapp & Associates	Services	6,013.50
165569	Gei Fsac Inc	Refund Check 011615-000, 0	8.52
165570	Paula Gerchufsky	Refund Check 012100-000, 16066 Wizard Way	898.89
165571	Grainger, Inc	Materials - Field	721.42
165572	HDR Inc.	Services - Orchard Run Lift Station Project	15,675.00
165573	Jacqueline Howells	Consultant Services - March 2023	7,500.00
165574	John Konecny	Refund Check 012382-000, 27216 Shiloh Ln	1.24
165575	Mutual of Omaha	Life Insurance - March 2023	2,507.36
165576	Nantmedia Holdings, LLC	Ads - January 2023	471.50
165577	Pacific Pipeline Supply	Materials - Field	6,408.85
165578	Paymentus Corporation	Transaction Fees - December 2022	15,002.50
165579	Ron and Linda Peeleman	Refund Check 015136-000, 30568 Roadrunner Rik	40.00
165580	Rincon Band of Luiseno Indians	Monitoring Services - January 2023	3,361.87
165581	Valley Center Chamber of Commerce	Membership 01/01/23-12/31/23	150.00
165582	Darlene and Frits Versteegh	Refund Check 007629-000, Spearhead Trail	77.57
TOTAL			<u>490,822.86</u>

Approved By: \_\_\_\_\_

General Manager

\_\_\_\_\_  
Director of Finance & Administration

**VALLEY CENTER MUNICIPAL WATER DISTRICT  
TREASURER'S REPORT - SUMMARY  
January 31, 2023**

**ACTIVE DEPOSITS**

Checking Accounts	<u>Cost Basis</u> \$1,066,593.32
Deposits with Fiscal Agents	

<b>TOTAL ACTIVE DEPOSITS</b>	<b><u>\$1,066,593.32</u></b>
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**INVESTMENTS**

	<u>Market Value</u>	<u>Average Yield</u>	<u>Percent</u>	
Money Market Funds	\$25,682,489.82	3.15%	71.752%	\$26,489,900.24
U.S. Treasury Notes	733,349.50	0.88%	2.024%	747,061.15
Federal Agencies Securities	7,199,116.48	2.01%	20.327%	7,504,267.85
Certificates of Deposit, insured	<u>2,088,517.91</u>	<u>1.36%</u>	<u>5.897%</u>	<u>2,177,223.78</u>
<b>TOTAL INVESTMENTS</b>	<b><u>\$35,703,473.71</u></b>	<b><u>2.77%</u></b>	<b><u>100.000%</u></b>	<b><u>\$36,918,453.02</u></b>

<b>TOTAL ALL FUNDS</b>	<b><u>\$37,985,046.34</u></b>
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<b>TOTAL ALL FUNDS (PRIOR MONTH - DECEMBER 2022)</b>	<b>\$39,481,070.49</b>
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***Maturity Analysis of Investments***


	<u>Percent</u>	<u>Cost Basis</u>
Money Market Funds	71.752%	\$26,489,900.24
Maturity within one year	11.540%	4,260,272.26
Maturity later than one year	<u>16.708%</u>	<u>6,168,280.52</u>
Total Investments	<u>100.000%</u>	<u>\$36,918,453.02</u>

Weighted Average Days to Maturity	<u>153</u>
Maximum permitted single investment maturity is 5 years.	

***Yield Comparatives***

<u>Security</u>	<u>Term</u>	<u>Yield</u>	<u>Security</u>	<u>Term</u>	<u>Yield</u>
LAIF	1 day	2.425%	12 mo. rolling T Bond	1 year	3.101%
T Bills	3 months	4.690%	T Bonds	1 year	4.690%
T Bills	6 months	4.800%	T Bonds	2 years	4.210%

Sufficient funds are available to meet the next six month's expenditure requirements. All investments are in compliance with the District's adopted statement of investment policy. Market values for the Governmental / Federal Securities and Certificates of Deposit were provided by Zions Capital Advisors.

 Reviewed by James V. Pugh, Treasurer	02/22/23
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 Received by Gary T. Arant, General Manager	02/22/23 Date
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**VALLEY CENTER MUNICIPAL WATER DISTRICT**  
**TREASURER'S REPORT - DETAIL**  
**January 31, 2023**

**ACTIVE DEPOSITS**

**Cost Basis**

Checking Accounts:

California Bank & Trust	\$1,061,332.32
California Bank & Trust	\$3,861.00
Petty Cash	\$1,400.00
	<u>\$1,066,593.32</u>

**INVESTMENTS**

**Face Value**  
**or Rating**

**Purchase**  
**Date**

**Maturity**  
**Date**

**Market**  
**Value**

**Current**  
**Yield**

Money Market Funds:

Local Agency Investment Fund				\$349,278.28	2.43%	\$349,278.28
County of San Diego Investment Fund				\$25,307,445.20	3.16%	26,114,855.62
Zions Institutional Liquidity Management				\$25,766.34	4.24%	25,766.34
				<u>\$25,682,489.82</u>	<u>3.15%</u>	<u>\$26,489,900.24</u>

U.S. Treasury Notes:

U S Treasury Notes 1.250%	500,000	05/06/22	07/31/23	491,328.00	1.26%	497,252.38
U S Treasury Notes 0.125%	250,000	05/20/21	10/15/23	242,021.50	0.13%	249,808.77
				<u>\$733,349.50</u>	<u>0.88%</u>	<u>\$747,061.15</u>

Federal Agencies Securities - CB&T, a subsidiary of Zion Bank

Federal Home Loan Mrtg Corp 0.40%	250,000	09/18/20	02/26/24	238,581.75	0.40%	\$250,000.00
Federal Home Loan Banks 0.50%	250,000	08/30/21	08/28/24	234,462.19	0.50%	250,000.00
Federal Farm Credit Bank 0.44%	250,000	11/04/20	11/04/24	232,870.96	0.44%	250,000.00
Federal Home Loan Banks 0.625%	250,000	05/27/21	02/27/25	231,464.82	0.63%	250,000.00
Federal Home Loan Banks 0.80%	250,000	07/21/21	07/21/25	229,873.03	0.80%	250,000.00
Federal Home Loan Banks 3.15%	200,000	08/30/22	02/23/23	199,818.67	3.15%	200,000.00
Federal Home Loan Bank 3.25%	500,000	08/22/22	08/22/23	495,167.20	3.25%	500,000.00
Federal Home Loan Banks 1.00%	500,000	03/10/22	09/29/23	491,587.09	1.00%	500,000.00
Federal Home Loan Banks 5.20%	100,000	12/30/22	12/18/23	99,873.11	5.20%	100,000.00
Federal Farm Credit Banks 3.49%	1,000,000	06/22/22	12/22/23	987,542.42	3.49%	1,000,000.00
Federal Home Loan Banks 5.00%	250,000	01/09/23	01/10/24	250,297.66	5.00%	250,000.00
Federal Home Loan Banks 1.50%	500,000	03/28/22	03/28/24	485,351.90	1.50%	500,000.00
Federal Home Loan Banks 0.50%	250,000	03/24/21	09/24/24	233,893.19	0.50%	250,000.00
Federal Home Loan Banks 0.50%	250,000	09/30/21	09/30/24	233,770.62	0.50%	250,000.00
Federal Home Loan Banks 1.00%	500,000	03/10/22	12/10/24	483,087.10	1.78%	499,555.85
Federal Home Loan Banks 0.40%	250,000	02/18/21	02/18/25	230,552.82	0.40%	250,000.00
Federal Home Loan Banks 0.625%	250,000	05/27/21	02/27/25	231,465.82	0.63%	250,000.00
Federal Home Loan Banks 2.15%	500,000	03/14/22	03/14/25	477,471.47	2.15%	500,000.00
Federal Home Ln Mtg Corp 5.15%	480,000	01/27/23	01/27/26	479,613.51	5.17%	479,712.00
Federal Home Loan Banks 0.80%	350,000	03/16/21	03/16/26	315,630.53	0.80%	350,000.00
Federal Home Loan Banks 1.00%	125,000	06/30/21	06/30/26	112,756.06	1.00%	125,000.00
Federal Home Loan Banks 1.05%	250,000	10/15/21	10/15/26	223,984.56	1.05%	250,000.00
				<u>\$7,199,116.48</u>	<u>2.01%</u>	<u>\$7,504,267.85</u>

Certificates of Deposit - CB&T, a subsidiary of Zion Bank

Goldman Sachs 2.70%	248,000	04/18/19	04/17/23	247,075.46	2.71%	247,938.54
UBS Bank 0.25%	125,000	07/15/21	07/14/23	122,547.00	0.26%	124,968.84
Raymond James Bank 1.95%	245,000	08/23/19	08/23/23	241,360.04	1.96%	244,936.91
BMW Bank North Amercia 0.35%	245,000	09/27/21	09/25/23	238,324.98	0.38%	244,877.37
Cit Bank 3.30%	100,000	05/06/19	10/30/23	98,980.90	3.18%	100,489.45
Centerstate Bank 1.05%	245,000	04/30/20	04/30/24	234,189.87	1.05%	245,000.00
Medallion Bank 0.40%	245,000	07/29/21	07/22/24	230,129.97	0.46%	244,559.70
Synchrony Bank 0.55%	125,000	09/03/21	09/03/24	117,140.13	0.55%	125,000.00
UBS Bank 3.00%	120,000	05/11/22	11/12/24	116,521.44	3.03%	119,911.17
Morgan Stanley 1.50%	230,000	07/27/20	04/16/25	214,834.95	1.03%	234,841.87
HSBC Bank 1.30%	245,000	05/08/20	05/07/25	227,413.17	1.33%	244,699.93

\$2,088,517.91      1.36%      \$2,177,223.78

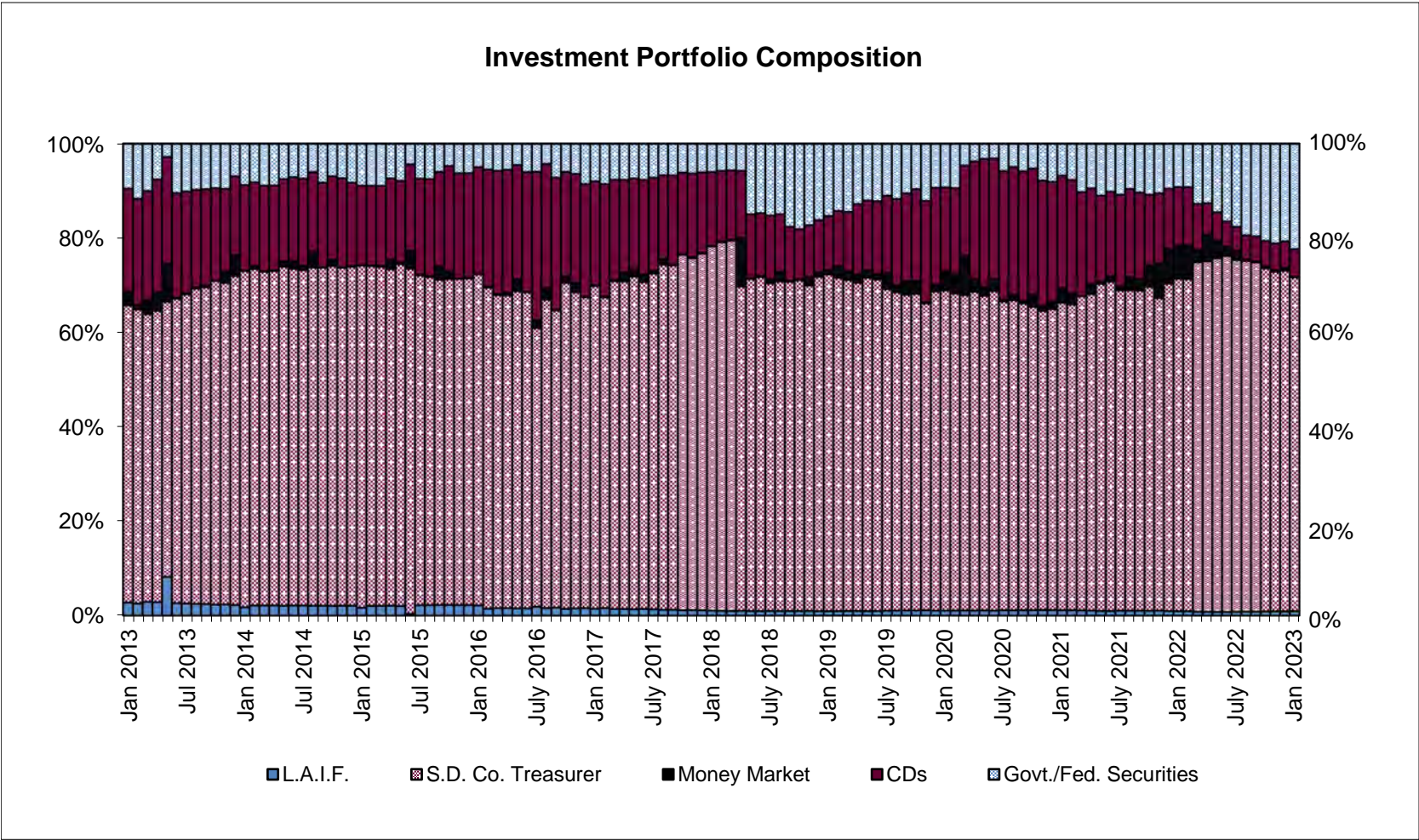
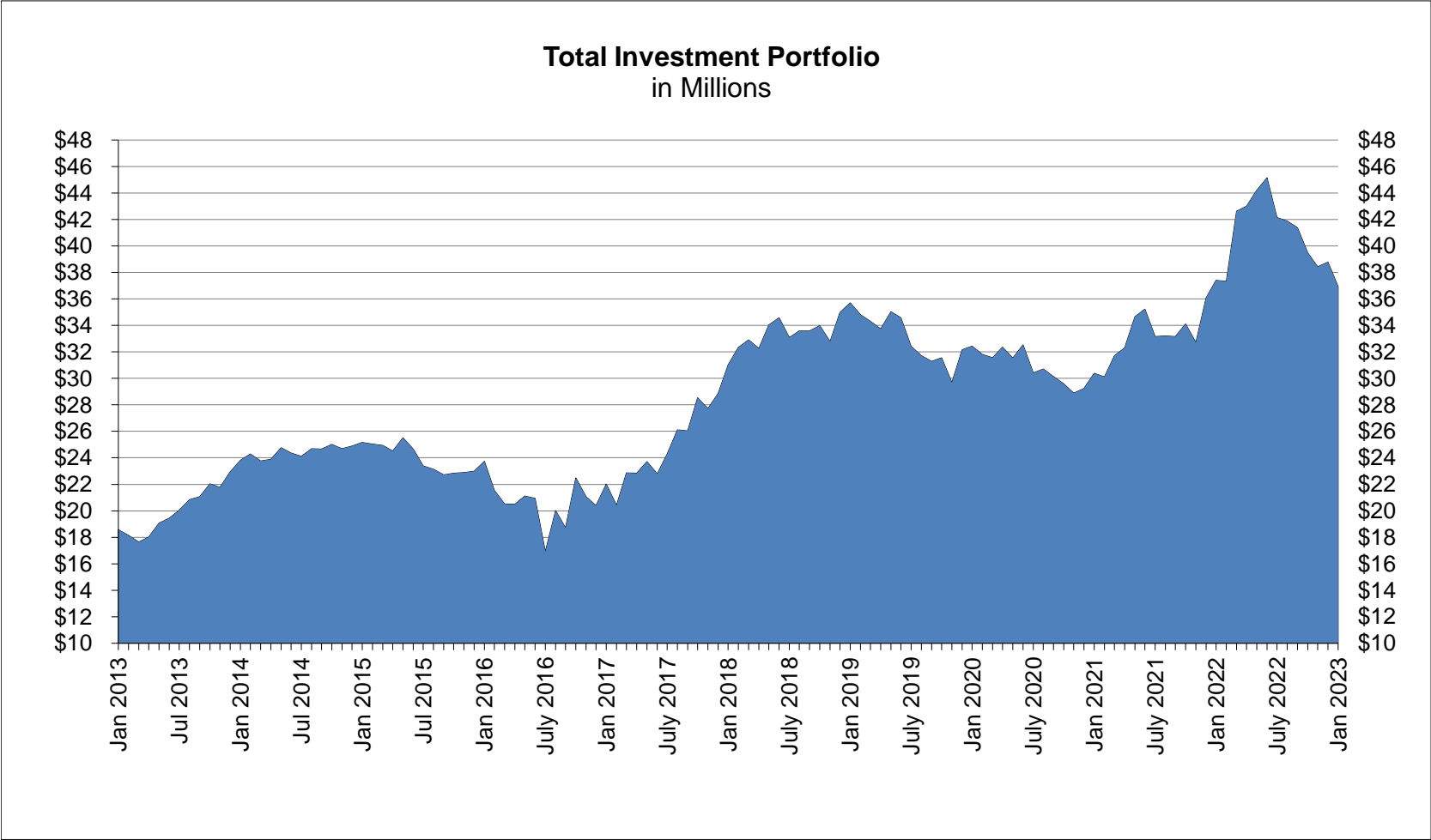
**TOTAL INVESTMENTS**

**\$35,703,473.71**      **Average**  
**2.768%**      **\$36,918,453.02**

**TOTAL ALL FUNDS**

**\$37,985,046.34**

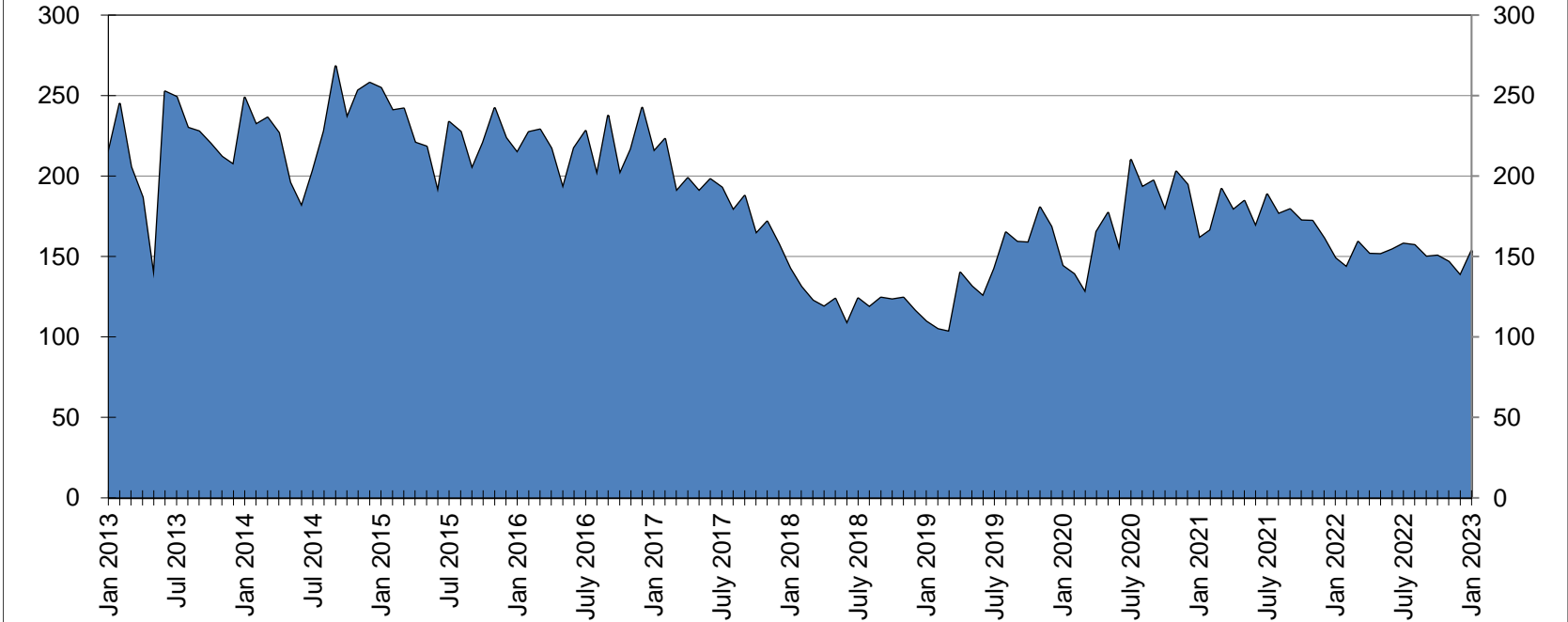
**VALLEY CENTER MUNICIPAL WATER DISTRICT**  
**TREASURER'S REPORT - GRAPHS**  
**January 31, 2023**



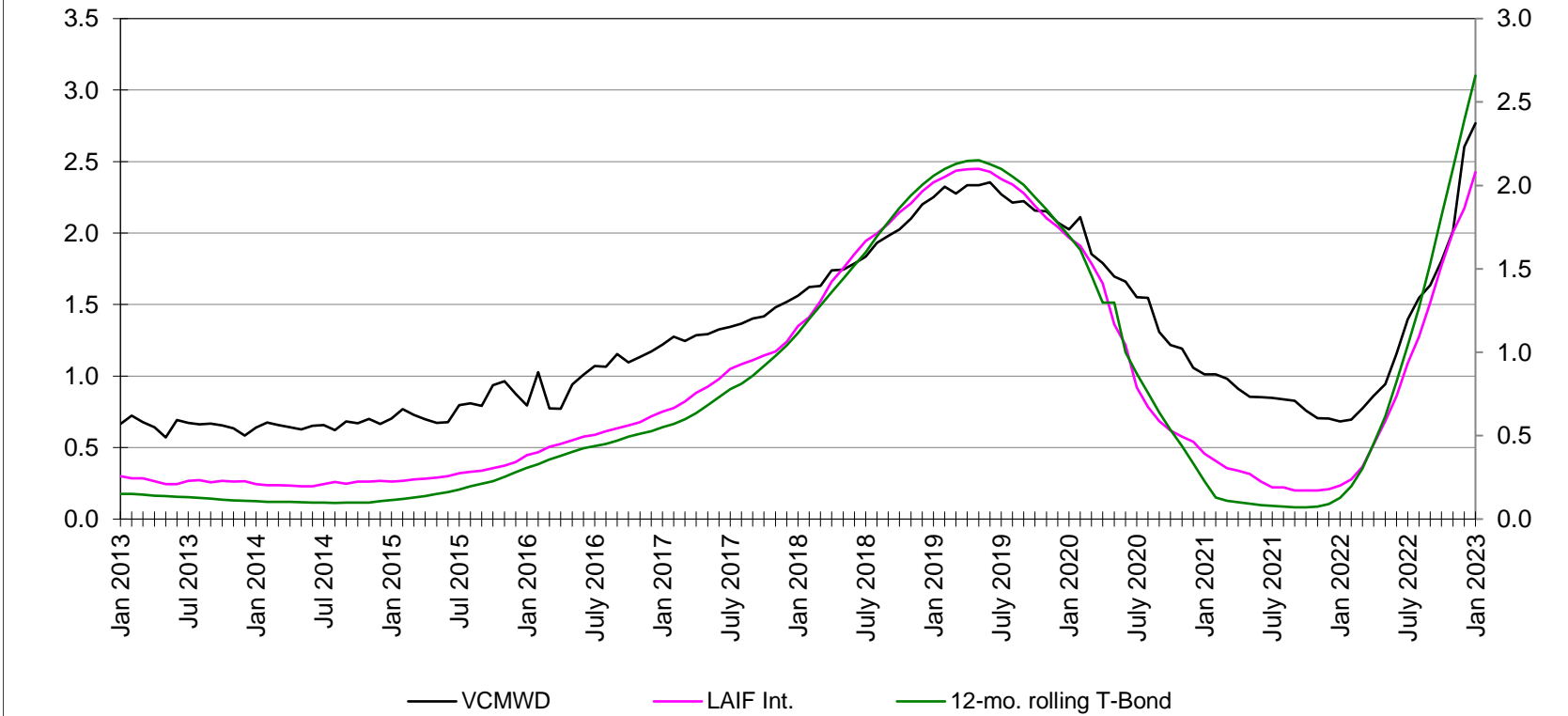


VALLEY CENTER MUNICIPAL WATER DISTRICT  
TREASURER'S REPORT - GRAPHS  
January 31, 2023

Weighted Average Days to Maturity



Yield Comparisons  
in Percentages



**VALLEY CENTER MUNICIPAL WATER DISTRICT  
TREASURER'S REPORT - TRANSACTIONS  
JULY 1, 2022 THROUGH JUNE 30, 2023**

**INVESTMENTS PURCHASED**

<b><u>Purchase Date</u></b>	<b><u>Security</u></b>	<b><u>Maturity Date</u></b>	<b><u>Cost</u></b>	<b><u>Face Value</u></b>	<b><u>Expected Yield</u></b>
<u>CB&amp;T, a subsidiary of Zion Bank</u>					
08/22/22	Federal Home Loan Banks 3.25%	08/22/23	500,000.00	500,000.00	3.250%
08/30/22	Federal Home Loan Banks 3.15%	02/23/23	200,000.00	200,000.00	3.150%
12/30/22	Federal Home Loan Banks 5.20%	12/18/23	100,000.00	100,000.00	5.200%
01/09/23	Federal Home Loan Banks 5.00%	01/10/24	250,000.00	250,000.00	5.000%
01/27/23	Federal Home Ln Mtg Corp 5.15%	01/27/26	480,000.00	480,000.00	5.150%

**INVESTMENTS MATURED**

<b><u>Purchase Date</u></b>	<b><u>Security</u></b>	<b><u>Maturity Date</u></b>	<b><u>Cost</u></b>	<b><u>Face Value</u></b>	<b><u>Yield to Maturity</u></b>
<u>CB&amp;T, a subsidiary of Zion Bank</u>					
07/01/20	New York Comenity 0.35%	07/05/22	245,000.00	245,000.00	0.350%
12/16/20	Federal Home Loan Mrtg Corp 0.20%	12/16/22	200,000.00	200,000.00	0.200%
05/20/22	U S Treasury Notes 2.125%	12/31/22	500,000.00	500,000.00	2.125%

**March 6, 2023**

**TO: Honorable President and Board of Directors**  
**FROM: Gary T. Arant, General Manager**  
**SUBJECT: SETTING HEARING DATE FOR WATER AVAILABILITY CHARGES**

**PURPOSE:**

To set the date and schedule of assessments for a public hearing to consider continuing the assessment of an annual \$10/acre water availability charge against all property in the District.

**SUMMARY:**

Since 1995-96, the District has assessed all property in the District an annual water availability charge of \$10/acre with a \$10/parcel minimum. The proceeds from the \$10/acre availability charge are expected to be used as follows:

Ongoing Capital Requirements	<u>\$573,000</u>
Total Availability Charge	\$573,000

The California Water Code requires that the attached resolution be adopted to set the hearing date for these charges.

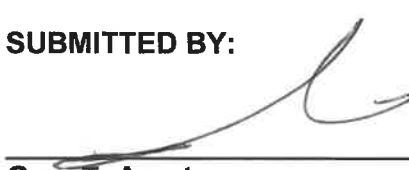
**RECOMMENDATION:**

Staff recommends the following: That Resolution No. 2023-06 be adopted to set the public hearing to be scheduled for June 5, 2023, at 2:00 P.M. at the VCMWD Board Room to consider continuing the assessment of the annual \$10/acre water availability charge on all property in the District.


**REVIEWED BY:**

  
\_\_\_\_\_  
**James V. Pugh**  
*Director of Finance and Administration*

**SUBMITTED BY:**

  
\_\_\_\_\_  
**Gary T. Arant**  
*General Manager*

**PREPARED BY:**

  
\_\_\_\_\_  
**Beatriz Garnica**  
*Accounting Specialist II*

*Attachments*

**RESOLUTION NO. 2023-06**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
VALLEY CENTER MUNICIPAL WATER DISTRICT SETTING  
FORTH A SCHEDULE OF WATER AVAILABILITY CHARGES  
PROPOSED TO BE ESTABLISHED FOR ALL PROPERTY WITHIN  
THE DISTRICT FOR 2023-2024, FIXING THE TIME AND PLACE  
OF HEARING, AND GIVING NOTICE OF HEARING.**

**WHEREAS, VALLEY CENTER MUNICIPAL WATER DISTRICT** has heretofore constructed water systems within its boundaries and by reason of the construction, water services are now available to land within the District and said water system is a benefit to all land within the boundaries of the District; and

**WHEREAS,** Section 71630 of the California Water Code authorizes the Board of Directors to establish water availability charges on property within the District whether the water service is actually used or not; and

**WHEREAS,** matters relative to the financial requirements, land use, and water availability of said water system has been presented to and considered by the Board of Directors; and

**WHEREAS,** it is determined to be in the best interests of the inhabitants, landowners, water consumers and taxpayers of the District that water availability charges be fixed for all lands lying within the District.

**NOW, THEREFORE, IT IS HEREBY FOUND, RESOLVED, DETERMINED, AND ORDERED,** as follows:

1. The recitals set forth herein above are true.
2. The schedule of water availability charges proposed to be established for the 2023-2024 fiscal year for each separately assessed parcel of land within the District shall not exceed ten dollars (\$10.00) per acre per year or ten dollars (\$10.00) for a parcel of land less than one acre.
3. The availability charges shall be fixed in the amounts set forth for parcels of land as shown upon the assessment rolls of the County Assessor of San Diego County and shall be payable by the property owner thereof.

The schedules of water availability charges proposed to be established are as follows:

The schedules of water availability charges mentioned above for each parcel are on file with the Secretary of VALLEY CENTER MUNICIPAL WATER DISTRICT. Said schedules set forth the name of the owner, address, assessor's parcel number, and proposed availability charge for each parcel of real property within the District. Said schedules may be examined at any time during office hours at the office of the District at 29300 Valley Center Road, Valley Center, California. (Such schedules are hereby incorporated herein by reference.)

4. Said charges shall be collected in the same form and manner as County taxes are collected and shall be paid to the District.

5. A hearing before the Board of Directors of VALLEY CENTER MUNICIPAL WATER DISTRICT shall be held Monday, June 5, 2023, at 2:00 P.M. at the Valley Center Municipal Water District administrative offices, 29300 Valley Center Rd., Valley Center, California for the purpose of considering the adoption of an ordinance that will fix and establish said availability charges.

6. The Secretary shall, in accordance with Government Code 6066, cause notice of the date, time, and place of said hearing to be published in a newspaper of general circulation, published and circulated within said District, once a week for two successive weeks prior to said hearing.

7. The Secretary shall cause written notice of said hearing to be mailed, prior to said hearing, to the owner of any affected property which has changed ownership since the last availability charge was fixed. The notices provided by this paragraph shall be mailed to said persons at the addresses listed and shown by the last available assessment roll of the County Assessor of San Diego County.

8. Any owner of property within the District, on which the District is proposing to fix a water availability charge, may file with the Secretary of the District, at 29300 Valley Center Road, Valley Center, California, any time prior to the hour set for said hearing, a written protest to the proposed water availability charge.

9. At the time stated in the notice, the Board of Directors shall hear and consider all objections or protests, if any, to this resolution and may continue the hearing from time to time. Upon the conclusion of the hearing, the Board of Directors may adopt, revise, change, reduce, or modify an assessment or charge, or overrule any or all objections.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of VALLEY CENTER MUNICIPAL WATER DISTRICT held Monday, March 6, 2023, by the following vote.

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**Robert A. Polito, *President***

ATTEST:

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**Kirsten N. Peraino, *Secretary***

**March 6, 2023**

**TO: Honorable President and Board of Directors**

**FROM: Gary Arant, General Manager**

**SUBJECT: NORTH COUNTY EMERGENCY STORAGE PROJECT CONSTRUCTION  
PHASE AGREEMENT WITH THE SAN DIEGO COUNTY WATER  
AUTHORITY AND YUIMA MUNICIPAL WATER DISTRICT**

**PURPOSE:**

Request the Board of Directors approve the ***“Agreement Between and Among the San Diego County Water Authority, the Valley Center Municipal Water District, and the Yuima Municipal Water District for Funding the Construction and for the Operation of the Emergency Water Storage Project (ESP) Improvements in Valley Center and Yuima Municipal Water Districts”***.

**SUMMARY:**

**Prior Actions:**

- On November 20, 2018 District entered into Phase 1 Agreement with the San Diego Water Authority (SDCWA) and Yuima Municipal Water District (YMWD) for design.
- On July 9, 2020 entered into a Professional Service Agreement with Michael Baker International for the design of the project.
- On August 16, 2021 District adopted Resolution No. 2021-30 making responsible agency findings pursuant to the California Environmental Quality Act, adopting the associated Mitigation Monitoring Program, approving the North County Improvements of the Emergency Storage Project (Valley Center Improvements), and directing staff to the file the Notice of Determination with the County Clerk as the responsible agency.
- At the October 3, 2022 Board Meeting, staff presented an update of the overall project, including the current status, budget, and timing for the construction phase.
- Public Bid Opening was held on January 26, 2023 and Orion Construction was identified as the lowest responsive and responsible bidder at \$8,299,818 for the NCESP portion of the project.

With design completed and bids received, the proposed three-party agreement provides the terms and conditions for SDCWA funding of the construction phase of the project, approximately \$11.3M. The Construction Phase Agreement has been drafted for approval by the respective governing bodies of each agency. YMWD Board approved the agreement at their February 27<sup>th</sup> meeting. This action serves as VCMWD's approval of the agreement. With the agreement approved by VCMWD and YMWD, the agreement will be presented for approval by the SDCWA Board on March 23.

## **SDCWA ESP Project Background**

In 1996, the SDCWA embarked on building the ESP to provide the San Diego Region with up to six months of an emergency water supply in case a major earthquake along either the San Andreas Fault or Elsinore Fault would sever all or a portion of the five pipelines making up the First and Second San Diego Aqueducts serving imported water to the San Diego Region, including VCMWD.

Since that time, a number of the ESP components have been completed, including the:

- 24,000 AF Olivenhain Dam and Reservoir;
- Lake Hodges Pump Hydro Station (Connecting Lake Hodges to the Second San Diego Aqueduct system);
- San Vicente Pump Station and Pipeline (Connection San Vicente Reservoir to the Second San Diego Aqueduct);
- San Vicente Dam Raise Project and Storage Capacity Expansion
- Various Pumping Improvement Projects to Facilitate South to North delivery of ESP Event water supply.

However, even after the investment of over \$3.0 Billion in the ESP, several of the northernmost SDCWA Member Agencies remain today without complete ESP Event service, including Fallbrook Public Utility District (FPUD), Rainbow MWD (RMWD), YMWD and VCMWD.

In evaluating the final phase facilities required for the ESP to fully serve these agencies, the SDCWA developed the concept that the capital facility improvements could be made within the Member Agencies to provide ESP Event supply at significant capital cost savings to the SDCWA and in turn, its member agencies and their customers.

### **North County ESP – Valley Center Improvements**

In the specific case of VCMWD and YMWD, the existing ESP facilities are not capable of delivering water to the VC 3 FCF and the YMWD 3 FCF on the First Aqueduct.

To resolve this service condition, the SDCWA has proposed funding pumping and pipeline improvements within the VCMWD system to enable ESP Event supply to be delivered to the areas served by the VC 3 FCF and YMWD 3 FCF. Similar types of proposals have been made to FPUD and RMWD, but have been put on hold pending the outcome of the agency's detachment proceedings from the SDCWA.

Specifically, the proposed project will:

- Increase the pumping capacity of the San Gabriel Pump Station in conjunction with other existing facilities to supply 7.2 CFS to VCMWD and 7.8 CFS to YMWD;
- Construct Improvements to the Lilac Pala Pump Station, to provide additional pumping capacity while the San Gabriel Pump Station is offline for construction.
- Upsize and re-align certain existing waterlines to support the added flows;
- Construct two new Flow Control Facilities (FCF) on YMWD's main supply to receive ESP Event supply.
- Provide two portable 325kW generators to support the necessary facilities in the event of a power outage.

### **Stakeholder Responsibility Principles**

As proposed, VCMWD would be responsible and compensated by the SDCWA for procuring and managing all aspects of the project, including design and construction. YMWD would be compensated by the SDCWA for their coordination support efforts in the project. All environmental and right-of-way acquisition is the responsibility of the SDCWA.

Once completed, VCMWD will own and operate all facilities in perpetuity. Operational and commodity costs accrued during an ESP event will be reimbursed by SDCWA per terms agreed upon in the Construction and Operation Agreement. All routine maintenance and replacement costs will be the responsibility of VCMWD, with YMWD reimbursing for their share as determined in the forthcoming Operation and Maintenance agreement between VCMWD and YMWD

### **Operation and Maintenance Agreement Between VCMWD and YMWD (Future Action)**

It is understood that these facilities benefit both VCMWD and YMWD and can be used for non-ESP events as well, such as an emergency requiring supplement supply between VCMWD and YMWD. As such, both agencies will participate in the routine maintenance and replacement costs necessary to keep the facilities in good working order. This agreement will be brought for board approval at a later date when construction is nearing completion.

### **Construction Phase Agreement (Current Action)**

The agreement stipulates terms for ownership, operation, and funding of construction. Ownership and operational terms are consistent with principles described within and agreed upon in previous agreements. All costs, as indicated in the following table, will be funded by the SDCWA, with the full amount for each District deposited following the execution of this agreement.



NCESP CONSTRUCTION COST SUMMARY	
CATEGORY	TOTAL
<b>VCMWD</b>	<b>\$ 11,325,000</b>
Construction Contract	\$ 8,299,818
Construction Management	\$ 1,470,860
SCADA Integration	\$ 50,000
Design Construction Support	\$ 165,996
VCMWD Staff	\$ 306,030
Contingency (10%)	\$ 1,029,270
<b>YUIMA</b>	<b>\$ 35,000</b>
<b>Total Agreement Amount</b>	<b>\$ 11,360,000</b>

#### Remaining Project Timeline:

- February 27, 2023 -- YMWD Approves Construction Phase Agreement;
- March 6, 2023 ----- VCMWD Approves Construction Phase Agreement;
- March 23, 2023 ----- SDCWA Approves Construction Phase Agreement;
- April 2023 ----- Agreement is executed and funds are distributed to VCMWD;
- April 3, 2023 ----- VCMWD Awards Construction Contracts;
- May 2023 ----- Notice to Proceed; and
- December 2024 ----- Project Final Completion.

#### RECOMMENDATIONS:

Staff recommends the Board of Directors adopt Resolution No. 2023-07 approving the ***“Agreement Between and Among the San Diego County Water Authority, the Valley Center Municipal Water District, and the Yuima Municipal Water District for Funding the Construction and for the Operation of the Emergency Water Storage Project (ESP) Improvements in Valley Center and Yuima Municipal Water Districts”*** and authorizing the General Manager to execute the agreement on behalf of the District.

PREPARED BY

  
Wally Grabbe  
District Engineer

SUBMITTED BY:

  
Gary Arant  
General Manager

#### Attachments:

- Construction Phase Agreement
- Resolution No. 2023-07

**RESOLUTION NO. 2023-07**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
VALLEY CENTER MUNICIPAL WATER DISTRICT  
APPROVING THE CONSTRUCTION PHASE AGREEMENT BETWEEN  
THE SAN DIEGO COUNTY WATER AUTHORITY, THE VALLEY CENTER  
MUNICIPAL WATER DISTRICT, AND THE YUIMA MUNICIPAL WATER DISTRICT  
FOR FUNDING THE CONSTRUCTION AND FOR THE OPERATION OF THE  
EMERGENCY WATER STORAGE PROJECT (ESP) IMPROVEMENTS IN VALLEY  
CENTER AND YUIMA MUNICIPAL WATER DISTRICTS  
[ACCOUNT NO. 01-00-00-18045]**

WHEREAS, the Parties agreed to design the infrastructure improvements identified in the *"The North County Emergency Storage Project Pump Stations – East Mission Road and Red Mountain Pump Stations Technical Report"*, dated March 2017 (NCESP), memorialized by the Parties in the *Principles of Understanding for the Delivery of Emergency Storage Project Flows at the VC 1 Connection*, dated June 9, 2017, and further documented in the *Agreement between and among the San Diego County Water Authority, the Valley Center Municipal Water District, and the Yuima Municipal Water District for funding the design of the Emergency Storage Project Improvements in Valley Center and Yuima Municipal Water Districts*, dated November 20, 2018, as amended;

WHEREAS, the design has been completed and the District has received bids for the construction of the Emergency Storage Project Improvements in Valley Center and Yuima Municipal Water Districts ("Project"); and,

WHEREAS; the District desires to enter into an agreement with the San Diego County Water Authority and Yuima Municipal Water District for funding the construction phase of the Project and the operation of the facilities.

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED, AND ORDERED by the Board of Directors of the VALLEY CENTER MUNICIPAL WATER DISTRICT as follows that:

1. The District finds and determines that the preceding recitals are true and correct.
2. The attached proposed agreement entitled *"Agreement between and among the San Diego County Water Authority, the Valley Center Municipal Water District, and the Yuima Municipal Water District for funding the construction and in Valley Center and Yuima Municipal Water Districts"* is approved.
3. The General Manager, or his designee, is authorized and directed to execute, on behalf of the District, the proposed agreement for funding the construction of the Project and the operation of the facilities, without further approval.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Valley Center Municipal Water District held on the 6<sup>th</sup> day of March 2023 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
**President/Chairperson**

**ATTEST:**

\_\_\_\_\_  
**Secretary**

AGREEMENT BETWEEN AND AMONG THE SAN DIEGO COUNTY WATER  
AUTHORITY, THE VALLEY CENTER MUNICIPAL WATER DISTRICT, AND THE  
YUIMA MUNICIPAL WATER DISTRICT FOR FUNDING THE CONSTRUCTION AND  
FOR THE OPERATION OF THE EMERGENCY STORAGE PROJECT IMPROVEMENTS  
IN VALLEY CENTER AND YUIMA MUNICIPAL WATER DISTRICTS

This Agreement is entered into as of \_\_\_\_\_ 2023, between the San Diego County Water Authority (Water Authority), a county water authority, the Valley Center Municipal Water District (VCMWD), a municipal water district, and the Yuima Municipal Water District (YMWD), a municipal water district. The Water Authority, VCMWD, and YMWD (sometimes collectively referred to as the “Parties” and individually as a “Party”) in consideration of their mutual covenants, and for other valuable consideration, agree as follows:

Recitals:

- A. The Parties agreed to design the infrastructure improvements identified in the “The North County Emergency Storage Project Pump Stations – East Mission Road and Red Mountain Pump Stations Technical Report”, dated March 2017 (NCESP), memorialized by the Parties in the *Principles of Understanding for the Delivery of Emergency Storage Project Flows at the VC 1 Connection*, dated June 9, 2017, and further documented in the *Agreement between and among the San Diego County Water Authority, the Valley Center Municipal Water District, and the Yuima Municipal Water District for funding the design of the Emergency Storage Project Improvements in Valley Center and Yuima Municipal Water Districts*, dated November 20, 2018 as amended.
- B. The Parties have agreed to construct, operate, and maintain the infrastructure improvements identified in the Valley Center Municipal Water District North County Emergency Storage Project as further described below.
- C. VCMWD is a member agency of the Water Authority and the Water Authority supplies a portion of the treated water VCMWD currently distributes and sells at retail to its customers.
- D. YMWD is a member agency of the Water Authority and the Water Authority supplies a portion of the treated water YMWD currently distributes and sells at retail to its customers.
- E. The Water Authority owns, operates, and maintains the Valley Center 1A/1B Flow Control Facility (VC 1 FCF), Valley Center 3 (VC 3 FCF), Valley Center 5 and 6 Flow Control Facility (VC 5&6 FCF), and the Yuima Municipal Water District 3 Flow Control Facility (YMWD 3 FCF).
- F. The Emergency Storage Project (ESP) was approved by the Water Authority’s Board in August 1996 (Res. No. 96-31) to assure an adequate emergency water supply to the San Diego region, to maintain the health, safety, and welfare of the residences of San Diego, and to preserve jobs, agriculture, and otherwise protect the San Diego economy against catastrophic harm in the event that an earthquake or other calamity disrupts water service.

- G. The NCESP determined that ESP water deliveries to portions of VCMWD's service area, and all of YMWD's service area, could best be accomplished through VCMWD-owned and operated infrastructure improvements, thereby providing the most cost savings and operational efficiency to the Water Authority. It also provides system reliability and operational flexibility to VCMWD and YMWD.
- H. During an ESP event, the Water Authority will deliver water to VCMWD and YMWD at the VC 1 FCF and VC 5&6 FCF. This water will flow through VCMWD infrastructure improvements to provide up to 7.2 cubic feet per second (cfs) to the VC 3 FCF service area, and up to 7.8 cfs to the YMWD 3 FCF service area.
- I. The VCMWD infrastructure improvements provide sufficient minimum standard operating capacities to serve 7.2 cfs of treated water to the VC 3 FCF service area, and 7.8 cfs of treated water to the YMWD 3 FCF service area for a period of 50 years.
- J. The Water Authority is the lead agency for environmental documents and will ensure the work performed under this Agreement complies with the requirements of the California Environmental Quality Act (CEQA). On August 15, 1996, the Water Authority's Board of Directors certified an Environmental Impact Report/Environmental Impact Statement (EIR/EIS) for the Emergency Water Storage Project (ESP; State Clearinghouse No. 93011028) and adopted the supporting CEQA Findings of Fact, Statement of Overriding Considerations, and Mitigation Monitoring Program (MMP). An addendum (Addendum 21) to the EIR/EIS addressing the VCMWD infrastructure improvements was prepared and approved by the Water Authority on July 13, 2021. VCMWD, acting as a Responsible CEQA Agency (CCR Title 14, Section 15096), considered the EIR/EIS, approved Addendum 21 and adopted the MMP on August 16, 2021, per Resolution No. 2021-30, and filed a Notice of Determination with the San Diego County Clerk on August 20, 2021.
- K. The Purpose of this Agreement is to fund the construction of the VCMWD infrastructure improvements and establish the construction, ownership, and operation terms and conditions to enable ESP water deliveries to a portion of VCMWD's service area and all of YMWD's service area.

The Recitals are incorporated herein and the Parties agree as follows:

1.0 ESP Water Deliveries

- 1.1 Flow requests and control shall be provided consistent with current practice of the Water Authority and Metropolitan Water District of Southern California (MWD) flow request guidelines. These guidelines may be amended, as required, by changes in MWD's or the Water Authority's operating requirements or as a result of changed operating conditions with the consent of the Water Authority.
- 1.2 If an ESP event is declared by the Water Authority's General Manager, the Water Authority will allocate water deliveries to Water Authority member agencies in

accordance with the Water Authority's Administrative Code Chapter 5, Section 5.00.040, as it may be amended from time to time.

- 1.3 Infrastructure improvements constructed pursuant to this agreement will be capable of delivering emergency water during an ESP event up to a maximum of 7.2 cfs to VCMWD and 7.8 cfs to YMWD.
- 1.4 The Parties agree zero flow may be available from the Water Authority to the VC 3 FCF and YMWD 3 FCF connections during an ESP event. Allocated water will be delivered by the Water Authority to the VC 1 FCF and VC 5&6 FCF connections for distribution to both VC 3 FCF service area and YMWD 3 FCF service area. VCMWD will convey and meter YMWD-allocated ESP water deliveries to the YMWD Aqueduct Supply Pipeline through the Calle De Halcones Flow Control Facility and the Muutama Road Flow Control Facility. YMWD will receive its allocated ESP water deliveries at these connections.

## 2.0 Non-ESP Water Deliveries

- 2.1 VCMWD may deliver non-ESP water to YMWD through infrastructure constructed pursuant to this agreement. Availability, delivery, rate of flow, and cost of Non-ESP water deliveries are at the sole discretion of VCMWD via separate agreement between VCMWD and YMWD.

## 3.0 Water Authority Responsibilities

- 3.1 Assign a project manager for the VCMWD infrastructure improvements, who will be VCMWD's and YMWD's single point of contact.
- 3.2 Review construction submittals that revise the previously approved design and any proposed design changes prior to the issuance of change orders. Provide written comments and approval to VCMWD within 5 working days of receipt.
- 3.3 Upon request, coordinate the isolation of Water Authority facilities for the shutdown of and connections between VCMWD and YMWD facilities.
- 3.4 Inspect or witness the construction of the VCMWD infrastructure improvements and, upon the completion of the improvements, notify the Parties in writing that the Water Authority agrees that VCMWD completed the VCMWD infrastructure improvements in accordance with this Agreement.
- 3.5 Monitor construction progress to ensure consistency with the approved design and compliance with CEQA and the environmental documents prepared for this project.
- 3.6 Fund the construction per Section 7 herein.

## 4.0 Valley Center Municipal Water District Responsibilities

- 4.1 Assign a project manager for VCMWD infrastructure improvements, who will be the Water Authority's and YMWD's single point of contact.

- 4.2 Procure or provide services for public bidding and construction of the VCMWD infrastructure improvements, including but not limited to addendums, change orders, construction inspections and testing services, and other work required to provide complete and operational facilities.
- 4.3 The Water Authority and YMWD, their employees, agents, officers, and directors, shall be named as additional insureds in all construction or other related contracts entered into by VCMWD in the implementation of this Agreement.
- 4.4 To the extent required under Labor Code Section 1720, et seq., VCMWD shall require the payment of prevailing wage rates in contracts entered into by VCMWD in implementation of this Agreement.
- 4.5 Construct the VCMWD infrastructure improvements in compliance with the latest California Code of Regulations Title 24; the California Health and Safety Code; other California laws and regulations; and VCMWD design standards, regional standards, and industry standards adopted at the time the final design of each improvement is submitted for Water Authority and YMWD review.
- 4.6 All work, equipment, and materials shall comply with VCMWD's approved contract documents, attached as Exhibit A, for the VCMWD infrastructure improvements. Any deviations from the approved contract documents shall be agreed to by the Parties before the VCMWD infrastructure improvements may be accepted by VCMWD and YMWD.
- 4.7 Within 30 calendar days from execution of this Agreement, provide a construction schedule detailing the anticipated time required for the construction of each of the VCMWD infrastructure improvements.
- 4.8 Update the Water Authority and YMWD monthly on the status of the VCMWD infrastructure improvements.
- 4.9 Provide monthly construction schedules showing anticipated planned work, with inspection hold points, water service shutdowns, and completion milestones.
- 4.10 Coordinate and allow Water Authority and YMWD access to inspect or witness the construction of the infrastructure improvements and to verify all VCMWD infrastructure improvements were constructed in accordance with this Agreement.
- 4.11 Carry out the applicable actions of a CEQA Responsible Agency, as discussed in Section 15096 of the Guidelines for Implementation of the California Environmental Quality Act (CCR Title 14, Division 6, Chapter 3).
- 4.12 Provide written approval that the VCMWD infrastructure improvements are in compliance with VCMWD's approved contract documents prior to filing the Notice of Completion with the County of San Diego Recorder's Office.
- 4.13 File Notice of Completion with the County of San Diego Recorder's office and provide the Water Authority and YMWD with a conformed copy of the Notice of Completion.

## 5.0 Yuima Municipal Water District Responsibilities

- 5.1 Assign a project manager for VCMWD infrastructure improvements, who will be the Water Authority's and VCMWD's single point of contact.
- 5.2 Review construction submittals that revise the previously approved design and any proposed design changes prior to the issuance of change orders. Provide written comments and approval to VCMWD within 5 working days of receipt.
- 5.3 Coordinate shutdowns of and connections between VCMWD and YMWD facilities.
- 5.4 Inspect or witness the construction of the VCMWD infrastructure improvements and, upon the completion of the improvements, notify the Parties in writing that YMWD agrees that VCMWD completed the VCMWD infrastructure improvements in accordance with this Agreement.

## 6.0 Facility Ownership, Operation, and Access

- 6.1 VCMWD will own, operate, and maintain, all VCMWD infrastructure improvements. VCMWD shall operate and maintain the infrastructure improvements in accordance with acceptable water utility industry practices.
- 6.2 YMWD and VCMWD may enter into a separate inter-agency agreement for maintenance, testing, and operation of ESP facilities during non-ESP events.
- 6.3 Parties shall advise each other prior to taking ESP-related facilities out of service for maintenance and repair.
- 6.4 VCMWD shall allow YMWD and the Water Authority access to ESP facilities upon request.
- 6.5 YMWD shall allow the Water Authority and VCMWD access to the Muutama FCF located on YMWD's McNally Reservoir Site upon request.

## 7.0 Cost Responsibilities

- 7.1 The Water Authority shall pay actual costs, not to exceed \$11,360,000 for construction, and management or administration costs related to construction, of the VCMWD infrastructure improvements described in Exhibit A.
- 7.2 Upon full execution of this Agreement, the Water Authority shall deposit \$11,325,000 with VCMWD and \$35,000 with YMWD for the costs of constructing, and management and administration costs related to constructing, the VCMWD infrastructure improvements (Deposit Funds).
- 7.3 VCMWD and YMWD shall provide an annual accounting of cost at the end of the fiscal year.



- 7.4 VCMWD and YMWD shall perform a cost accounting within 30 days of filing the Notice of Completion with the County of San Diego Recorder's office. The cost accounting will detail the costs incurred, as applicable, in a form and content satisfactory to the Water Authority.
- 7.5 The Parties shall reconcile the costs for the construction of the VCMWD infrastructure improvements and related construction management and administration costs. If the actual costs exceed the total not-to-exceed amount of \$11,325,000 for VCMWD and \$35,000 for YMWD, a mutually agreed upon amendment shall be processed in accordance with the Water Authority Administrative Code Section 4.08.040 (e). If the actual costs are less than the deposits, the excess amount shall be refunded to the Water Authority within 40 calendar days of VCMWD and YMWD providing the final accounting to the Water Authority. Any costs incurred for VCMWD or YMWD facilities not related to ESP water deliveries and this Agreement shall be the responsibility of VCMWD and/or YMWD. The Water Authority shall have the right to deny any costs not related to the ESP components.
- 7.6 If the Water Authority believes its share of actual costs should be less than the amount specified in the accounting report, it will notify VCMWD and/or YMWD within 30 calendar days of receipt. It is agreed that no delinquency charge will be assessed on any sums claimed by the Water Authority to be due until the Water Authority and VCMWD and/or YMWD agree on the amount actually due.
- 7.7 Detailed records from which costs are compiled shall be retained by VCMWD and YMWD for a period of three years from the date of final invoice and shall be available for verification by the Water Authority. If the Water Authority determines an audit is necessary, it shall be completed at the Water Authority's expense during the three-year period.
- 7.8 If VCMWD and/or YMWD decides to cease work on the VCMWD infrastructure improvements at any time, not including temporary work stoppages or work stoppages caused by circumstances outside the reasonable control of VCMWD, VCMWD and/or YMWD shall reimburse the Water Authority for any remaining Deposit Funds not expended.
- 7.9 VCMWD is responsible for all operation, maintenance, improvement, repair, and replacement costs of the VCMWD infrastructure improvements incurred after the completion of the improvements and their acceptance by the Parties.
- 7.10 Water Authority will invoice YMWD separately for ESP water deliveries to YMWD through VCMWD's system, using data from the metered connections between VCMWD's system and YMWD's system.
- 7.11 VCMWD will invoice the Water Authority for the operation and maintenance costs to deliver ESP water to VCMWD's VC 3 FCF service area and YMWD per VCMWD's approved rates at the time of ESP water deliveries. VCMWD will not invoice the Water Authority for operation and maintenance costs to deliver non-ESP water, or system capacity fees except as provided herein.

## 8.0 Non-Binding Mediation

- 8.1 If a dispute arises out of, or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through normal contract negotiations, the Parties agree to first try to settle the dispute using mediation under the Construction Industry Mediation Rules of the American Arbitration Association or any other neutral organization mutually agreed upon before having recourse in a court of law.
- 8.2 The expenses of mediation witnesses for either side shall be paid by the party producing such witnesses. All other expenses of the mediation, including required travel and other expenses of the mediator, and the cost of any proofs or expert advice produced at the direct request of the mediator, shall be borne equally by the Parties, unless otherwise agreed.
- 8.3 Any agreements resulting from mediation shall be documented in writing. Except for agreements signed by the Parties, all mediation results and documentation, by themselves, shall be “non-binding”. Mediators shall not be subject to any subpoena or liability and their actions shall not be subject to discovery.

## 9.0 Mutual Indemnification

- 9.1 The Parties each agree to indemnify, defend, each at its own expense, including attorneys’ fees, and hold each other Party harmless from and against all claims, costs, demands, losses, and liability of any nature whatsoever, including but not limited to liability for bodily injury, sickness, disease or death, property damage (including loss of use), or violation of the law, caused by or arising out of any error, omission, negligent act, of the indemnifying party, its officers, directors, employees, agents, volunteers, or any other person acting pursuant to its control in performing under this agreement, except that an indemnitor will have no obligation to an indemnitee for indemnitees’ sole negligence or willful misconduct.
- 9.2 The Water Authority and YMWD will hold VCMWD harmless for any failure to deliver the planned ESP deliveries to YMWD due to unforeseen circumstances. These include events such as pump station power outage, damage to the VCMWD transmission system, or any other circumstances from the Emergency Storage Project event that might reasonably be considered in the category of force majeure, including, but not limited to, acts of God (earthquakes, floods, severe weather, or other natural disasters); war; terrorism; riots; labor disputes; civil unrest; or any other similar causes beyond VCMWD’s reasonable control. In consideration of this hold harmless provision, VCMWD agrees to maintain in good working order and make timely repairs, in VCMWD’s reasonable discretion, to those portions of its system required for ESP deliveries to YMWD.

- 10.0 Laws and Venue. This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court in San Diego County.

- 11.0 Integration and Amendment. This Agreement represents the entire understanding of the Parties as to those matters contained herein, and supersedes all prior understandings or agreements relating to the subject matter of this Agreement. No prior oral or written understanding or agreement shall be of any force or effect with respect to those matters covered by this Agreement. This Agreement may be modified only by a subsequent written amendment executed by the Parties.
- 12.0 Successors or Assigns. This Agreement and any portion thereof shall not be assigned or transferred, nor shall any of the duties be delegated, without the express written consent of all Parties, which shall not be unreasonably withheld or delayed. Any attempt to assign or delegate this Agreement without the express written consent of all Parties shall be void and of no force or effect.
- 13.0 Notices. Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, postage prepaid, addressed to:
- San Diego County Water Authority  
4677 Overland Avenue  
San Diego, CA 92123  
Attention: Director of Engineering
- Valley Center Municipal Water District  
29300 Valley Center Road  
Valley Center, CA 92082  
Attention: District Engineer
- Yuima Municipal Water District  
P.O Box 177  
Pauma Valley, CA 92061  
Attention: General Manager
- 14.0 Severability. The partial or total invalidity of one or more parts of this Agreement will not affect the intent or validity of the remainder of this Agreement.
- 15.0 Signatures. The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities. This Agreement may be signed in counterparts, each deemed an original when executed and all taken together as one and the same instrument.

IN WITNESS WHEREOF, the parties have executed as of the date written above.

San Diego County Water Authority

Approved as to form:

By: \_\_\_\_\_  
Gary Bousquet  
Director of Engineering

By: \_\_\_\_\_  
David Edwards  
General Counsel

Valley Center Municipal Water District

Approved as to form:

By: \_\_\_\_\_  
Gary Arant  
General Manager

By: \_\_\_\_\_  
Paula C.P. de Sousa Mills  
General Counsel

Yuima Municipal Water District

Approved as to form:

By: \_\_\_\_\_  
Amy Reeh  
General Manager

By: \_\_\_\_\_  
Jeremy Jungreis  
General Counsel

**March 6, 2023**

**TO: Honorable President & Board of Directors**

**FROM: Gary T. Arant, General Manager**

**SUBJECT: MOOSA MAIN MCC REPLACEMENT PROJECT CLOSEOUT  
[PROJECT NO. 13-06-78-53040]**

**PURPOSE:**

Present project closeout report for the Lower Moosa Canyon Water Reclamation Facility ("Moosa") Motor Control Center ("MCC") Replacement Project.

**SUMMARY:**

The Moosa MCC Replacement Project ("Project") was established to replace the main MCC at the facility. The main MCC was installed in the mid-1970s as part of the original facility construction and houses the main breaker after the SDG&E meter, the generator automatic transfer switch, switchgear for the blower and clarifier equipment and the other motor control centers located throughout the facility. The construction contract for the Project was awarded on June 7, 2021, with the Notice to Proceed issued on July 14, 2021. The project had an original contract duration of 279 Calendar Days, however, due to manufacturer delays the project was completed in 443 calendar days. Due to supply chain issues and long lead times on the equipment, the project was extended multiple times. The Notice of Completion was issued on September 16, 2022.

Funding in the amount of \$50,000 for the project was originally authorized in the FY 2017-2018 Annual Budget and amended in FY 2019-2020, FY 2020-2021 and FY 2021-2022 for a total budget amount of \$925,000. Actual project expenditures were \$894,252 leaving a remaining balance of \$30,748 to be recaptured in the FY 2023-2024 Annual Budget.

**PROJECT BACKGROUND:**

**Planning and Design**

Staff entered into a professional services agreement with Rockwell Construction Services, in July of 2019. Rockwell was to evaluate and document the existing electrical facilities, and prepare a phasing plan for the MCC replacement to ensure that critical processes were maintained during the upgrade process. Rockwell later provided a proposal for the design of the MCC replacement and construction documents for bidding purposes. The design and planning phase as well as bids being solicited and received were completed during FY 2020-2021.

## **Construction Contract Summary**

The Project consisted of the removal of the existing electrical gear, the Meter/main Switchboard (MSB), the Motor Control Center MCC-1, and the Motor Control Center EMCC-1. In the existing blower room, a combination soft starter was furnished to replace the existing starter for Aeration Blower No. 3. A temporary switchboard was installed for temporary power to the existing plant equipment during the cutover period.

The construction contract was awarded to Hydrotech Electric and had a 279 calendar day construction duration. During the submittal process, the contractor notified the District of long delivery times for the main gear due to supply chain issues. A total of 164 additional calendar days were approved to allow for the lead time. Once all gear arrived onsite, the contractor was able to disconnect the entire plant and temporarily reconnect to the temporary switchboard with minimal impact to the wastewater facility. The new MCC gear was installed and reconnected. The District's wastewater technicians were involved during the entire project.

Three change orders were issued throughout the project two of them being for time extensions. Rockwell Construction Services provided construction assistance and inspection during the entire project.

## **Overall Project Budget**

Planning and Design - This project was initially funded in FY 2017-2018 for a total of \$50,000. These funds were for District staff to gather information and plans on the existing electrical components of the facility. Once the information was gathered, the District budgeted for a consultant to update the as-builts and provide a phasing plan for the scope of work to replace the MCC. In FY 2019-2020, an additional \$150,000 was authorized for electrical consulting services for site investigations and to produce construction documents for bid solicitation. In July of 2019, the District entered into a professional services agreement with Rockwell Construction Services ("Rockwell") for this planning and design work.

Construction Phase – In 2019, Rockwell helped established the engineer's estimate of \$460,000 for the MCC replacement work and an additional \$650,000 was included in the FY 2020-2021 Annual Budget for the construction phase of the project. The project was bid May 2021 and awarded in June 2021 at a contract amount of \$531,471, 15.5% higher than the 2019 engineer's estimate. The main factors that contributed to a higher bid amount were the increased labor and material costs that were experienced in the 2020 timeframe.

When the project was awarded, an additional \$75,000 was allocated to the Project in the FY 2021-2022 Annual Budget bringing the total project budget to \$925,000. Actual total project expenditures were \$894,252 leaving a remaining balance of \$30,748 to be recaptured in the FY 2023-2024 Annual Budget.

The following table summarizes the project expenditures and remaining balance:

Description	Project Budget	Project Cost	Remaining Budget
Staff	\$173,000	\$172,105	\$895
Consultants	\$187,420	\$172,178	\$15,243
Construction	\$541,687	\$541,687	\$0
Miscellaneous	\$10,000	\$8,282	\$1,718
Contingency	\$12,893	\$0	\$12,893
<b>Total</b>	<b>\$925,000</b>	<b>\$894,252</b>	<b>\$30,748</b>

### Schedule

The following table summarizes the project schedule:

PROJECT TIMELINE	
Notice of Award	06/07/2021
Notice to Proceed	07/14/2021
Original Contract Completion Date (279 Calendar Days)	04/19/2022
Notice of Completion Date (164 Additional Calendar Days)	09/16/2022

Total construction duration was 443 Calendar Days

### RECOMMENDATION:

Information item only, no Board action required.

**SUBMITTED BY:**



**Wally Grabbe, P.E.**  
**District Engineer**

**APPROVED BY:**



**Gary T. Arant**  
**General Manager**

**March 6, 2023**

**TO: Honorable President & Board of Directors**

**FROM: Gary T. Arant, General Manager**

**SUBJECT: BURNT MOUNTAIN AND REIDY CANYON NOS. 1 & 2 RESERVOIRS  
PAINTING AND RECOATING PROJECT CLOSEOUT  
[PROJECT NO. 01-06-78-51401]**

**PURPOSE:**

Present project closeout report for the Burnt Mountain and Reidy Canyon Nos. 1 & 2 Reservoir Painting and Recoating Project.

**SUMMARY:**

The Burnt Mountain and Reidy Canyon Nos. 1 & 2 Reservoirs Painting and Recoating Project ("Project") was awarded on April 18, 2022, with Notice to Proceed issued on May 31, 2022. The project had an original construction duration of 120 Calendar Days. The project was completed in 202 calendar days, with the Notice of Completion taking effect, on December 19, 2022. Funding in the amount of \$1,150,000 for the project was originally authorized with the FY 2021-2022 Annual Budget and was later increased to a total of \$1,340,000. Actual total project expenditures are \$1,228,116, with the balance of \$111,885 being recaptured in the FY 2023-24 Annual Budget.

**PROJECT BACKGROUND:**

Burnt Mountain is a 74-foot diameter by 34-foot tall (base to overflow) 1.0 million gallon aboveground welded steel potable water reservoir. Reidy Canyon No. 2 is a 70-foot diameter by 35-foot tall (base to overflow) 1.0 million gallon aboveground welded steel potable water reservoir. Reidy Canyon No. 1 is a 50-foot diameter by 35-foot tall (base to overflow) 0.5 million gallon aboveground welded steel potable water reservoir.

The Project consisted of the cleaning, interior coating, exterior painting, and structural repairs for Burnt Mountain and Reidy Canyon No. 2. The structural repairs included; removal of the interior ladders, removal and replacement of existing earthquake straps, removal and replacement of rafters, rafter tail nuts, girder clips and hardware. Reidy Canyon No. 1 only involved exterior painting, as the interior recoat was previously completed in 2019.

**Construction Contract Summary**

The Engineer's estimate at the time of award was \$850,000. Advanced Industrial Services, Inc (AIS) was qualified as the lowest responsive, and responsible bidder for the low bid amount of \$1,110,000, the next second lowest bidder came in at \$1,197,500. The



30% difference above the engineer's estimate is attributed to market volatility in the midst of the pandemic and resulting price spikes affecting labor, fuel, and materials.

District staff issued three (3) change orders, totaling a net **increase** of \$60,706 and 82 additional calendar days for a total of 202 Calendar Days. The final construction cost for the project is \$1,170,706. The following is a summary of the project change orders:

Change Order No. 1 - At Reidy Canyon No. 2, the existing doubler plate and vent were found to be corroded beyond repair requiring full replacement, not included in the original contract. The change order also included an additional cost for the replacement of roof rafter beam clips and various additional welding and reinforcement work, not included in the original scope. Resulting in a net **increase** to the contract in the amount of \$36,150 and 14 additional days to the contract duration.

Change Order No. 2 - Addition of 30-inch access manways at Reidy Canyon No. 2 and Burnt Mountain, not included in the original scope. At the time, the contractor was behind schedule causing additional inspection expenses to the District. The value of the manways offset the District expenses caused by Contractor delays, resulting in a net **zero** cost and 40 additional days to the contract duration.

Change Order No. 3 - At Burnt Mountain, the existing doubler plate and vent were found to be corroded beyond repair requiring full replacement, not included in the original contract. Change order also includes additional material costs due to the increase in rafter size. Contract documents specified a smaller rafter size than those that existed. Resulting in a net **increase** of \$24,556 and 28 additional days to the contract.

### Overall Project Budget

Project was originally budgeted in FY 2021-2022 with a total project budget amount of \$1,150,000. A mid-year adjustment was made increasing the budget to the current amount of \$1,340,000 when the project was awarded later in the fiscal year. The project was completed under budget, with **\$111,885** being recaptured in the FY 2023-24 Annual Budget. The following table summarizes the project budget:

BURNT MTN. AND REIDY CANYON NOS 1&2 BUDGET SUMMARY					
Description	Budget at Award	Post Award Adjustments	Final Budget	Actual Expenses	Remaining
Staff	\$60,000	\$0	\$60,000	\$49,426	\$10,574
Construction	\$1,110,000	\$60,706	\$1,170,706	\$1,170,706	\$0
Original Contract	\$1,110,000	\$0	-	-	-
Change Order No. 1	-	\$36,150	-	-	-
Change Order No. 2	-	\$0	-	-	-
Change Order No. 3	-	\$24,556	-	-	-
Miscellaneous	\$58,000	\$0	\$58,000	\$7,984	\$50,016
Contingency	\$112,000	(\$60,706)	\$51,294	\$0	\$51,294
Total	\$1,340,000	\$0	\$1,340,000	\$1,228,116	\$111,885

## Project Timeline

The following table represents the main project milestone dates and durations:

PROJECT TIMELINE	
Notice of Award	4/18/2022
Notice to Proceed	5/31/2022
Original Contract Completion (120 Calendar Days)	9/28/2022
Substantial Completion (Additional 50 Calendar Days)	11/17/2022
Notice of Final Completion (Additional 32 Calendar Days)	12/19/2022

Total construction duration was 202 Calendar Days.

## **RECOMMENDATION:**

Information item only, no Board action required.

**SUBMITTED BY:**



**Wally Grabbe, P.E.**  
**District Engineer**

**APPROVED BY:**



**Gary T. Arant**  
**General Manager**

**March 6, 2023**

**TO: Honorable President and Board of Directors**

**FROM: Gary Arant, *General Manager***

**SUBJECT: ACTIONS IN SUPPORT OF FEDERAL FUNDING APPLICATION TO  
THE FY 2024 INTERIOR, ENVIRONMENT AND RELATED AGENCIES  
APPROPRIATIONS BILL**

**PURPOSE:**

To secure adoption of Resolution No. 2023-08 supporting and seeking favorable consideration for funding applications/"Non-Defense Congressionally Directed Spending" in the FY 2024 Interior, Environment, and Related Agencies Appropriations Bill.

**SUMMARY:**

Last year, the District did apply for, and was awarded \$3.06 million in federal infrastructure funding to cover 80% of the cost of the Lilac Road Replacement Project. For this year, the District is applying for \$3,772,000 in funding for the Old Castle Road Phase 2 Pipeline Replacement Project.

As with last year, our funding request will be made through the offices of Senator Feinstein and Padilla, as well as Congressman Issa. Adoption of Resolution No. 2023-08 will demonstrate the Board's support for the application and willingness to provide the local agency share from a future SRF Loan request.

**RECOMMENDATION:**

After review and discussion, if so desired, adopt Resolution No. 2023-08 and direct staff and the District's Federal Consultant, HGR, to complete the applications.

**SUBMITTED BY:**

A handwritten signature in dark ink, appearing to be 'Gary Arant', written over a horizontal line.

**Gary Arant**  
***General Manager***

**Attachment:**

*Resolution No. 2023-08*

**RESOLUTION NO. 2023-08**

**A RESOLUTION OF THE BOARD OF DIRECTORS SUPPORTING  
AND SEEKING FAVORABLE CONSIDERATION FOR THE  
VALLEY CENTER MUNICIPAL WATER DISTRICT'S APPLICATION  
FOR FY 2024 FEDERAL NON-DEFENSE CONGRESSIONALLY-DIRECTED  
SPENDING THROUGH THE INTERIOR, ENVIRONMENT, AND  
RELATED AGENCIES APPROPRIATIONS BILL**

**WHEREAS**, the Valley Center Municipal Water District operates a public water system serving a population of 29,700 in the San Diego County incorporated communities of Valley Center, Hidden Meadows, Welk's Circle R, the San Pasqual Tribal Government; as well as businesses, and over 600 farming operations in its 100 square-mile service area; and

**WHEREAS**, as a public water agency formed in 1954, with infrastructure dating into the 1950's, the District is facing the challenge of funding significant infrastructure replacement costs on an annual basis, while trying to keep water rates affordable for residents and growers; and

**WHEREAS**, to meet its infrastructure replacement requirements while maintaining water supply affordability, the District has, from time to time, sought outside state and federal funding; including the California State Revolving Fund Loan Program; and

**WHEREAS**, with the continuation of Congress' intent to restore for the third year of its Constitutional power to approve Congressionally-Directed spending items through Appropriations bills, the District is seeking funding of \$3,772,000 for the Old Castle Road Phase 2 Pipeline Replacement Project; and

**WHEREAS**, as the Valley Center Municipal Water District Board of Directors, the undersigned, fully support the District's efforts to access these funds and are prepared to provide local share funding at the funding levels required under the applicable law.

**NOW THEREFORE BE IT RESOLVED**, that the Board of Directors of the Valley Center Municipal Water District do fully support and seek favorable consideration for the funding request through Non-Defense Congressionally-Directed Spending in the FY 2024 Interior, Environment and Related Agencies Appropriations Bill — EPA State and Tribal Assistance Grants, Water and Wastewater Infrastructure Account.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of Valley Center Municipal Water District held on the 6<sup>th</sup> day of March, 2023, by the following vote:

**ATTEST:**

\_\_\_\_\_  
**Robert A. Polito, President**

\_\_\_\_\_  
**Kirsten N. Peraino, Secretary**

**March 6, 2023**

**TO: Honorable President and Board of Directors**

**FROM: Gary Arant, General Manager**

**SUBJECT: SB 366 (CABALLERO) CALIFORNIA WATER PLAN: LONG-TERM SUPPLY TARGETS; SUPPORT FOR “CA WATER FOR ALL”**

**PURPOSE:**

Seek Board approval to participate in the legislative public relations effort to ensure Senate Bill 366 (SB 366, authored by Senator Caballero) is passed into law with a financial commitment of up to \$20,000.

**SUMMARY:**

As the Board is aware, the District joined the *Solve the Water Crisis (STWC)* Coalition in spring 2022. The goal of this effort was to deliver the message to California’s legislators, political, opinion, business, and labor leaders, that continuing to just focus on water conservation year after year is not going to solve California’s looming water supply crisis. Included in this message was that, while water use efficiency is always important, there needs to be significant investments in water supply development and infrastructure to build a secure, reliable, and ample water supply to meet the needs of California’s people, economy, and environment long-term. VCMWD contributed \$15,000 to the effort as well as the time of its General Manager in attending *Solve the Water Crisis* Board Meetings, editorial boards, and authoring supporting Op-Ed pieces appearing in regional news media.

This effort now involves the backing of over eighty direct-sponsoring water agencies and supporting entities. Outreach methods include direct contact, media channels, and web-based communication to raise the issue among target audience members. An indication of success was the publication of Governor Newsom’s “California’s Water Supply Strategy – Adapting to a Hotter Drier Future” in August 2022, which was a clear sign the issue was being raised to the level which resulted in a political response. Though lacking funding and an implementation plan, the Water Supply Strategy included a call for the development of new storage and water supplies to offset the loss of supply associated with climate change.

Now we see growing interest among California’s legislators to address this issue. There are several bills in a process focused on infrastructure permit streamlining (SB 23, Caballero), water storage construction goals and timelines (AB 62, Mathis), and the “California Water Plan” (SB 366, Caballero). While AB 62 and SB 366 are similar in approach (i.e., setting goals, timelines, and reporting requirements for DWR, SWRCB, and the State Water Commission for the construction of additional water storage infrastructure by 2030 and 2040), the bill by Senator Caballero is more closely aligned with the *Solve the Water Crisis* effort and judged to have the greatest chance of success. The most up-to-date bill language for SB 366 is under review by Legislative Council and will not be final until after that review (attached).

While the *STWC* Coalition will continue its efforts with the existing funding (though at a reduced level of activity), the main effort among its supporters will shift to developing a new public relations program, aimed at securing the passage of SB 366 into law. The legislative public

relations program, known as "CA Water for All", will be led by the California Municipal Utilities Association (with support from ACWA) and will run in parallel with the STWC education efforts. There is an anticipated budget of \$431,000 for the new program, which will run between now and the end of the session in September 2023, when the bill is anticipated to be signed into law. Details on how the funds will be expended are contained in the attachment, "CA Water for All." Organizations who would like to participate at the funding level have been asked to make a one-time \$20,000 contribution to California Municipal Utility Agency, in support of this effort.

Staff is recommending participation in this new effort, which will not require a budget increase since needed funds can be reallocated from existing under-expended accounts, under the General Manager's budget transfer authority. The "Solve the Water Crisis," along with efforts by others, have brought the long-term water issue into sharper focus among our opinion, policy, and political leaders. We now have legislator of stature willing to author a bill that will set forth actual infrastructure goals and timelines, holding state agencies responsible and accountable for meeting those goals. It will actually put the state of California back in the business of planning and providing for California's water future; a role it had abdicated for decades. There seems to be legislative momentum to address this critical issue which has not been present for some time, and our agency, which has long advocated for statewide water infrastructure investment, should be a part of that effort.

**RECOMMENDATION:**

Authorize staff to contribute up to \$20,000 to the "CA Water for All" legislative public relations program to be administered by the California Municipal Utility Agency (CMUA).

**SUBMITTED BY:**

A handwritten signature in dark ink, appearing to read "Gary Arant", is written over a horizontal line.

**Gary Arant**  
**General Manager**

**Attachments:**

CA Water for All – Legislative PR Support Effort  
SB 366 (draft bill text)



February 1, 2023

**Dear Solve the Water Crisis supporters,**

Thank you for your participation in Solve the Water Crisis Coalition, which has been a valuable and productive education effort that has significantly elevated the urgency of the water supply crisis with California policymakers. Over a short time, Solve the Water Crisis gained vital support from more than 80 organizations statewide, including water agencies, agriculture interests, statewide business groups, local chambers of commerce, cities and counties, housing associations, and others. This would not have been possible without your continued support and engagement.

With our ongoing success in educating policymakers, the media, and stakeholders about California's water supply crisis, the impacts, consequences of inaction, and potential solutions, we now must move toward the next phase in our results-focused strategy. The water community must reinforce urgency for a legislative solution.

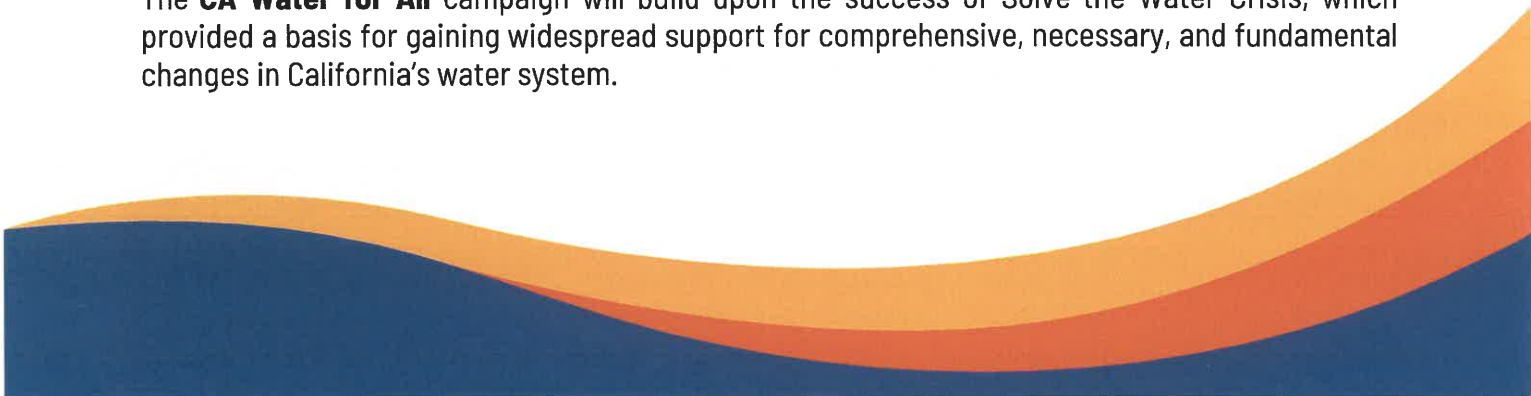
Aligned with a legislative effort this year designed to advance water supply solutions, we have developed a new public relations (PR) program to fully support water management legislation led by the California Municipal Utilities Association (CMUA). It's named: **CA Water for All**.

This PR effort is necessary to pass major water community legislation in California. The goals of this legislation, authored by Senator Caballero, include:

- Transforming California water management by working toward bold water supply targets rather than managing scarcity.
- Modernizing the California Water Plan for a 21st-century climate.
- Ensuring accountability for state agencies regarding water management issues.

**CA Water for All** is designed to generate broad-based, statewide engagement from water agencies and stakeholder organizations to support water community legislation. This campaign will run parallel with Solve the Water Crisis' continued education strategy but will be a separate effort focused on supporting the legislation.

The **CA Water for All** campaign will build upon the success of Solve the Water Crisis, which provided a basis for gaining widespread support for comprehensive, necessary, and fundamental changes in California's water system.



**Getting legislation across the finish line will take all of us working together. To make this happen, we ask for your financial support of CA Water for All. Options include:**

- Become a funder for the CA Water for All effort. See the attached document for more information on the program goals, strategy, tactics, and funding.
- Join the effort as a coalition supporter.

Attached is a program overview of CA Water for All. Additionally, in the coming weeks, we will release detailed information on CA Water for All including a website, materials, a weekly newsletter, and much more.

Thank you again for your ongoing support, and we look forward to working with you on CA Water for All.

If you are interested in funding CA Water for All, please reach out to Danielle Blacet-Hyden, Deputy Executive Director at CMUA: [dblacet@cmua.org](mailto:dblacet@cmua.org).

If you have general questions about the CA Water for All legislative PR support campaign, please reach out to Jenny Dudikoff at [jdudikoff@ka-pow.com](mailto:jdudikoff@ka-pow.com).

Sincerely,

**Craig Miller**

*General Manager and Solve the Water Crisis Board Member*  
Western Municipal Water District

**Barry Moline**

*Executive Director*  
California Municipal Utilities Association (CMUA)







To ensure a successful path to a legislative win for the water community in 2023, it is critical to have a public relations (PR) program designed to support the legislation and to run parallel with the advocacy strategy. A sustained, well organized, and established effort that can hit the ground running in the beginning of 2023 alongside a legislative proposal is key to an effective and comprehensive effort in 2023.

The drought and water supply shortage have received overwhelming coverage over the last 18 months, and the education efforts have provided a basis for gaining widespread support for comprehensive, necessary, and fundamental changes in California's water system through a legislative solution.

### Goals of PR Campaign

KP will work with CMUA and Steering Committee members to ensure the goals of the legislative support PR effort align with the public policy objectives of water community legislation. Initial identified goals include:

- Near term:
  - Educate State decisionmakers about the impacts of the water supply shortage, its consequences, and necessary solutions.
  - Establish broad, statewide support for a solution by bringing together diverse stakeholders and influencers.
- Throughout the legislative session:
  - Build support for a comprehensive legislative solution that will transform the water system for the next generation of Californians.
  - Encourage the Governor and the legislative leadership to address long-term water supply needs of the state, in collaboration with water agencies and the water community.

### Goals of Legislation

The legislation will be designed to transform California water management so that instead of managing for scarcity, the State will work toward water supply targets to ensure water for all.

Main goals:

- Establish bold water supply targets,
- modernize the California Water Plan for a 21<sup>st</sup> century climate, and
- ensure accountability for state agencies on water management issues.

## Organization and Structure

Under the leadership of CMUA, create a coalition of water agencies, wastewater service providers and other stakeholders to support legislative efforts that make comprehensive changes to California's water policy intended to establish specific goals for the State over the next decade and beyond.

### *Role of the Steering Committee*

- Create a Steering Committee of seven members who will advise CMUA on the PR effort.
- The Steering Committee will have input on legislative strategy, but final decisions will be made by CMUA.
- The Steering Committee will meet on a bi-weekly basis.

### *Role of Coalition Membership*

The Coalition will be kept informed about legislative and PR developments by CMUA and will meet on a monthly basis to discuss progress and coordination of lobbying and PR efforts.

### *Role of KP*

- KP will serve as the lead consultant for the legislative PR support program.
- KP will work with CMUA and the Steering Committee to ensure day-to-day execution of the program.

### *Funding*

- CMUA members will provide funding for the effort through the organization's funding process.
- CMUA may also receive contributions from non-members supporting the PR effort.
- Organizations (water agencies and others) who would like to participate at the funding level will be asked to make a one-time \$20,000 contribution to CMUA.

## Strategy

The PR effort will focus on implementing key strategies to achieve the most effective and efficient legislative support in 2023, including:

- Overall Strategy
  - Continue to define the current water supply problem and communicate the future water needs of the state, demonstrate the inability of the state to meet those needs because of climate change and system limitations, and clearly articulate the water supply goals the state must accept to achieve the supply levels that will serve residential, business, agricultural, and environmental uses.

- Specific Strategies
  - Engage stakeholders and Sacramento influencers to demand that action be taken – demonstrate the existing problem in legislative districts, making the case for a legislative solution, emphasizing that all parties need to work together to transform the existing water supply system.
  - Leverage the environmental and water expert studies, reports, etc. that detail the long-term impact of climate change on CA water resources.
  - Elevate the narrative and legislative proposal around a comprehensive, long-term policy solution that can benefit the entire state including residents, businesses, agriculture, environment, all industries and sectors, communities, CA's economy, and future generations.
  - Through historical and current evidence, demonstrate to policymakers the need for new and bold policy solutions to address the current problem, ultimately generating enough support to get a proposal passed.
  - Make the issue relevant to specific regions of the state, focusing on targeted legislative districts.

### Target Audience

This effort will not be focused directly on the public, but will instead prioritize influential audiences that will have the greatest impact on California policymakers, including:

- Policymakers
  - Select members on key committees including water and budget
  - Legislative leadership
  - Water champions
- Governor Newsom and relevant state agencies.
- Local community stakeholders working with participating water agencies to push educational information through their platforms.

### Preliminary Message Themes

It is important that the tone of messaging strikes a balance between painting a clear picture of a severe problem in need of a bold legislative solution, including an assertive, but not aggressive tone. Messaging may need to be refined once we have final language from the legislative proposal.

Initial messaging themes may include (we will work with CMUA and PR program leadership to fine tune messaging):

- *Legislative solution:* Benefits of long-term, comprehensive water community legislation to the entire state.
- *Impacts:* Water supply impacts include ag, environment, economic, local communities, housing, business, energy, increased costs, cuts, and conservation, etc.
- *Investments in infrastructure:* Water supply infrastructure is overdue for significant investments and updates to ensure a reliable water supply to 40 million Californians.
- *Climate change:* The Governor and the Administration are leading the effort to adapt to a hotter, dryer climate that the current system was not designed to accommodate. This effort will

support the Governor's climate adaptation program and engage the public in support of a comprehensive solution.

- *Time to act is now:* Continuing without a legislative solution will negatively impact jobs, industries, businesses, quality of life, health, California's economy, and future generations.
- *Governor's water strategy:* What we need, what we have, and how a legislative solution can provide additional needed elements to supplement the Governor's plan.

## Program Elements and Tactics

In all program elements and tactics, it will be critical that we **explain the legislative solution**, reinforcing why it's important to the state, residents, businesses, environment, local communities, and the economic health of California today and into the future.

Program elements will include:

- *Policymaker Engagement:* Target key legislators in districts based on committee makeup.
- *Coalition Building:* Build broad, statewide support for legislation including all sectors including but not limited to water, ag, business, housing, labor, manufacturing, local chambers of commerce, builders, recreation, social justice, tourism, municipalities, and environmental.
- *Partner with water and other associations:* Connect the water supply problems with the benefit the association members will receive from a comprehensive legislative solution.
- *Media Engagement:* Use media as a channel to get to our primary audience, continue elevating the issue, impacts, consequences of inaction, and benefits of legislative solution.
- *Digital:* Use digital and social as supplemental and reinforcing elements to the rest of the program.
- *Research:* Use a fiscal expert to dig into costs to get to where the State needs to be.
- *Collateral:* We can repurpose some collateral prepared by other coalition efforts where appropriate, describing impacts from the education effort but will need to be more focused on the benefits of the proposed solution and the tangible deliverables/outcomes of what the proposal will do for the state.
- *Video:* Use short soundbites to create compelling video content that further articulates impacts and need for a legislative solution; will be disseminated to policymakers, media, and third-party allies.
- *Events:* Hold kickoff event once legislation is introduced; in-district events of targeted members leveraging local conditions and impacts as hooks.

## Key Considerations

- *Coordination with water agencies/board members:* It will be imperative that we work with water agencies/board members to ensure they have the needed resources, tools, and content to conduct local stakeholder engagement, securing support for legislation.
- *Opposition:* We must proactively plan for and strategically combat anticipated opposition.
- *Timing:* Use the legislative and budget process to build momentum, aligning activities with the legislative calendar.
- *Opportunistic events:* Take advantage of water shortage announcements, news stories, and other organic opportunities to further articulate the impacts and need for a legislative solution.

## Tracking and Measurement

- Monthly Activity Reports
- Membership in coalition and support for the legislation
- Media coverage/op-eds
- Digital ad campaign metrics

## Tentative Timeline

This program is built around the legislative process, including the months of February through September. A tentative timeline will include the following (we will work with CMUA to ensure timeline aligns with legislative milestones):

- **Confirm support for PR legislative support effort** – January 15
- **Establish leadership of legislative support effort** – January 15
- **Begin formal PR legislative support effort fundraising efforts from water agencies** – February 1
- **Hold press conference/policymaker briefing around bill introduction** – mid-March
- **Implement targeted efforts in key policy committee legislative districts** – March 30 – April 10 (Apr. 10 Legislature reconvenes from Spring recess)
- **Engage media, coalition, and grassroots efforts focused on policy committee vote** – Apr. 28 Last Day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house
- **Publicize the cost of doing nothing for communities, business, state programs, and CA economy to demonstrate that the fiscal impact will be more detrimental under the status quo** – May 19 Last Day for fiscal committees to hear and report to the Floor bills introduced in their house
- **Focus on floor vote** – June 2 Last Day for each house to pass bills introduced in that house
- **Support lobbying effort to gain support of policy committee in second house** – July 14 Last Day for policy committees to meet and report bills
- **Use legislative recess to build momentum** – Aug. 14 Legislature reconvenes from Summer Recess
- **Concentrate public affairs efforts on targeted legislators necessary to secure votes** – Sept. 14 Last Day for each house to pass bills. Interim Study Recess begins at the end of this day's session

## Budget

Budget Item	Cost
KP management fees (\$27,000 @ 8 months)	\$216,000
CMUA administrative fee (\$5,000 @ 8 months)	\$40,000
Digital (\$10,000 @ 8 months)	\$80,000
Fiscal expert (study)	\$30,000
Academic (study)	\$30,000
Partnerships	\$15,000
Collateral	\$6,000
Video	\$7,000
Travel, production, administrative	\$7,000
<b>TOTAL</b>	<b>\$431,000</b>



## **CHAPTER 1. The California Water Plan [10004 - 10013]**

*( Chapter 1 heading added by Stats. 2007, Ch. 319, Sec. 2. )*

The Legislature finds and declares the following:

(a) To thrive as a state, California needs a reliable supply of water for urban, agricultural and environmental uses that is resilient to climate change.

(b) California's existing water usage is highly reliant on capturing the snow melt on an annual basis. That water is stored in lakes, reservoirs and groundwater basins and is then transported around the state for environmental, residential, business, and agricultural use when needed.

(c) California has the most intricate and elaborate system of water conveyance in the world.

(d) Dependent on the extent of drought or flood conditions, the Department of Water Resources has calculated that the volume of water used by people in California for agriculture, urban, and environmental purposes ranges from 60 million acre-feet per year to 90 million acre-feet per year.

(e) Per-capita water use has declined over time, thanks to a conservation ethic encouraged by water agencies and other stakeholders, water-saving indoor plumbing fixtures and appliances, better leak detection, and efforts to reduce outdoor water use.

(f) Water use also has significantly declined in the agricultural sector thanks to proactive steps taken by irrigation districts and farmers such as installing drip irrigation systems.

(g) California is experiencing significant impacts of a changing climate on our water supply systems.

(h) According to the Department of Water Resources, hotter and drier weather is estimated to diminish our existing water supply even further and likely by 10 percent.

(i) A loss of 10 percent could mean the disappearance of about six million acre-feet to nine million acre-feet of water supply.

(j) Many rivers, lakes, and estuaries are being impacted by declining water quality, including increases in harmful algal blooms.

(k) The California Central Valley has a groundwater overdraft of 2 to 3 million acre feet of water.

(l) Following more than two decades of "megadrought" in the Colorado Basin, reservoir levels are so low that supply cuts are likely.

(m) California's precipitation is changing from seasonal snow in the Sierra to periods of substantial rainfall including from atmospheric rivers.

(n) The shift to drier dry years and wetter wet years makes it imperative that the state of California develop comprehensive wet-year strategies that take full advantage of times of abundance, while also ensuring public safety from floods.

-(o) It is imperative that California capture more water from atmospheric rivers and other storms that occur during dry years, to help fill groundwater basins and surface storage.

(p) California is the nation's agricultural powerhouse, accounting for 12 percent of agricultural production in 2021 including more than 70 percent of the nation's fruits and nuts.

(q) This sector produces annual revenues of more than \$50 billion, employs more than 420,000 people, and supports large food and beverage processing industries.  
(r) According to the California Department of Water Resources there is the potential for more than 13-million-acre feet of groundwater recharge annually with more than 2.5-million-acre feet being possible using existing infrastructure.  
(s) The Department of Water Resources describes a statewide capacity in groundwater basins in the range of 1 billion acre-feet or approximately 20 times the total surface water storage capacity statewide.  
(t) California is the home to cutting edge job-creating industries such as those in Silicon Valley and Southern California's biotech industry.  
(u) Local and regional water suppliers are at the forefront of implementing projects to build resiliency but need additional support from the state and federal governments through funding and streamlined processes regulatory frameworks that are adapted for the new climate reality.  
(v) It is essential for our economy, environment and well-being that California increases the resilience of the state's water supplies.  
(w) Governor Newsom released "California's Water Supply Strategy: Adapting to a Hotter, Drier Future" in August 2022 that began to outline strategies for increasing California's water supply and streamlining approvals but California must make a historic change in the state's comprehensive water plan and how water is provided for environmental, residential, business, and agricultural uses.

#### 10004.

~~(a) The plan for the orderly and coordinated control, protection, conservation, development, and utilization of the water resources of the state which is set forth and described in Bulletin No. 1 of the State Water Resources Board entitled "Water Resources of California," Bulletin No. 2 of the State Water Resources Board entitled, "Water Utilization and Requirements of California," and Bulletin No. 3 of the department entitled, "The California Water Plan," with any necessary amendments, supplements, and additions to the plan, shall be known as "The California Water Plan."~~

(a) The department, in coordination with the commission, the board, other state and federal agencies as appropriate, and the stakeholder advisory committee outlined in (f)(3)(A) shall develop a comprehensive plan for addressing the state's water needs and meeting the water supply targets in (c), which shall be known as the "California Water Plan." The comprehensive plan shall provide recommendations and strategies to ensure enough water supply for all beneficial uses.

~~(ba)~~ It is hereby declared that the people of the state have a primary interest in the orderly and coordinated control, protection, conservation, development, and utilization of the water resources of the state by all individuals and entities and that it is the policy of the state that The California Water Plan, with any necessary amendments, supplements, and additions to the plan, is accepted as the master plan which guides the orderly and coordinated control, protection, conservation, development, management and efficient utilization of the water resources of the state.

(c) The department shall include in the plan a water supply planning target of XXXX acre feet of water by 2043 with an interim target of XXXX acre feet of water by



2033 to ensure water supply reliability for California's future economic and environmental sustainability. The target shall include new and expanded supplies including from the strategies listed in section (d)(1)(A).

(d) In addition to the water supply planning targets in subdivision (c), each update of the Plan shall include the following components:

(1) (A) ~~A discussion of various strategies, including, but not limited to, those relating to the development of new surface and ground water storage facilities, water conservation, water recycling, desalination, conjunctive use, improved regional and statewide conveyance, stormwater capture, and water transfers that may be pursued in order to meet the water supply targets in (c). the future water needs of the state. The department shall also include a discussion of the potential for alternative water pricing policies to change current and projected uses. The department shall include in the plan a discussion of the potential advantages and disadvantages of each strategy, how to maximize the strategy for long-term sustainability, how innovation and research can spur the implementation of each strategy and an identification of all federal and state permits, approvals, or entitlements that may be anticipated to be required in order to implement the various components of the strategy.~~

(B) In consultation with the advisory committee outlined in (f)(3)(A), the department shall develop and make recommendations for specific actions that ~~should~~ shall be taken to streamline those permits and approvals.

(C) In carrying out this chapter, a public water system, irrigation district or wastewater service provider shall not be required to implement a specific strategy or project.

(2) A study to determine the amount of water needed to achieve the water supply targets and to recommend programs, policies, and facilities to achieve those targets with assumptions and estimates as outlined in section 10004.6.

(3) An economic analysis of the costs and impacts to the state if it has inadequate water supplies to meet current demand for all sectors of the economy and environment in the next 10-, and 20- and 30-year scenarios. The analysis shall include a range of water supply shortfall projections and water supply shortage scenarios for urban and agricultural serving water agencies/suppliers using water suppliers' existing planning documents such as water shortage contingency plans, urban water management plans and agricultural water management plans. The analysis also shall include the impacts of including current drought management strategies and possible rationing for various agricultural, industrial commercial, and residential customer classes.

(4) A report on the development of regional and local water projects within each hydrologic region of the state to improve water supplies to meet municipal, agricultural, and environmental water needs and meet the water supply targets.

(MOST OF THIS IS FROM EXISTING LAW from 10013)

(4) A long-term Financing Plan as outlined in section 10005.

~~(e)~~ The declaration set forth in subdivision (b) ~~a~~ does not constitute approval for the construction of specific projects or routes for transfer of water, or for financial assistance, by the state, without further legislative action, nor shall the declaration be construed as a prohibition of the development of the water resources of the state by any entity.



(fb) (1) The department shall update The California Water Plan on or before December 31, 2003, and every five years thereafter. The department shall report the amendments, supplements, and additions included in the updates of The California Water Plan, together with a summary of the department's conclusions and recommendations, to the Legislature in the session in which the updated plan is issued.

(2) The director of the department shall provide an oral and written report to the Legislature each year by March 31 May 1 with the progress toward meeting the water supply targets in an informational hearing of the relevant committees. The report shall include the list of recommended actions that require legislative intervention and those that can be implemented by the department or other state agencies. The written report shall be posted on the department's website.

(32) (A) The department, in consultation with the commission, shall establish an stakeholder advisory committee, comprised of representatives of agricultural and urban water suppliers, local government, business, production agriculture, tribes, environmental justice and environmental interests, and other interested parties, to provide substantive input to assist the department in the updating of The California Water Plan, including the financing plan outlined in section 10005. The department shall consult with and consider recommendations from with the advisory committee in carrying out this section. The department shall accept applications for the stakeholder advisory committee prior to each update and ensure a balanced representation of members. No member of the advisory committee shall serve for longer than the development of two updates. The advisory committee shall meet a minimum of four times annually. The department shall provide written notice of meetings of the advisory committee to any interested person or entity that requests the notice. The meetings shall be open to the public.

(B) The department also shall seek out and consider all relevant information from retail and wholesale water agencies, agriculture, business, tribes, environmental and environmental justice communities and any other communities potentially impacted by the Plan and from researchers and experts on climate science, climate science solutions, water storage, water conveyance, and environmental protection.

(4) In preparing any update of the California Water Plan, the department shall conduct a series of public workshops to give interested parties an opportunity to comment on the Plan. The department shall conduct a portion of these workshops in regions of the state that have been impacted the most by drought and other weather extremes, including, but not limited to, communities with minority populations, communities with low-income populations, or both.

(53) The department shall release a preliminary draft of The California Water Plan, as updated, upon request, to interested persons and entities throughout the state for their review and comments. The department shall provide these persons and entities an opportunity to present written or oral comments on the preliminary draft. The department shall consider these comments in the preparation of the final publication of The California Water Plan, as updated.

*(Amended by Stats. 2000, Ch. 720, Sec. 2. Effective January 1, 2001.)*

#### 10004.5.

~~As part of the requirement of the department to update The California Water Plan pursuant to subdivision (b) of Section 10004, the department shall include in the plan a discussion of various strategies, including, but not limited to, those relating to the development of new water storage facilities, water conservation, water recycling, desalination, conjunctive use, and water transfers that may be pursued in order to meet the future water needs of the state. The department shall also include a discussion of the potential for alternative water pricing policies to change current and projected uses. The department shall include in the plan a discussion of the potential advantages and disadvantages of each strategy and an identification of all federal and state permits, approvals, or entitlements that are anticipated to be required in order to implement the various components of the strategy.~~

*(Amended by Stats. 2000, Ch. 720, Sec. 3. Effective January 1, 2001.)*

#### 10004.6.

~~(a) As part of updating The California Water Plan every five years pursuant to subdivision (b) of Section 10004, the department shall conduct a study to determine the amount of water needed to meet the state's future needs and to recommend programs, policies, and facilities to meet those needs.~~

~~(b) The department shall consult with the advisory committee established pursuant to subdivision (b) of Section 10004 in carrying out this section.~~

(~~a~~) On or before January 1, 2002, and one year prior to issuing each successive update to The California Water Plan, the department shall release a preliminary draft of the assumptions and other estimates upon which the study will be based, to interested persons and entities throughout the state for their review and comments. The department shall provide these persons and entities an opportunity to present written or oral comments on the preliminary draft. The department shall consider these documents when adopting the final assumptions and estimates for the study. For the purpose of carrying out this subdivision, the department shall release, at a minimum, assumptions and other estimates relating to all of the following:

(1) Basin hydrology, including annual rainfall, estimated unimpaired streamflow, depletions, and consumptive uses.

(2) Groundwater supplies, including estimates of sustainable yield, supplies necessary to recover overdraft basins, and supplies lost due to pollution and other groundwater contaminants.

(3) Current and projected land use patterns, including the mix of residential, commercial, industrial, agricultural, and undeveloped lands.

(4) Environmental water needs, including regulatory instream flow requirements, nonregulated instream uses, and water needs by wetlands, preserves, refuges, and other managed and unmanaged natural resource lands.

- (5) Current and projected population.
- (6) Current and projected water use for all of the following:
- (A) Interior uses in a single-family dwelling.
  - (B) Exterior uses in a single-family dwelling.
  - (C) All uses in a multifamily dwelling.
  - (D) Commercial uses.
  - (E) Industrial uses.
  - (F) Parks and open spaces.
  - (G) Agricultural water diversion and use.
- (7) Evapotranspiration rates for major crop types, including estimates of evaporative losses by irrigation practice and the extent to which evaporation reduces transpiration.
- (8) Current and projected adoption of urban and agricultural conservation practices.
- (9) Current and projected supplies of water provided by water recycling and reuse.

(10) Climate change impacts by region.

~~(d) The department shall include a discussion of the potential for alternative water pricing policies to change current and projected water uses identified pursuant to paragraph (6) of subdivision (c).~~

(e) Nothing in this section requires or prohibits the department from updating any data necessary to update The California Water Plan pursuant to subdivision (f) of Section 10004.

*(Amended by Stats. 2007, Ch. 675, Sec. 5. Effective January 1, 2008.)*

10005.

~~(a) It is hereby declared that the people of the state have a primary interest in the orderly and coordinated control, protection, conservation, development, and utilization of the water resources of the state by all individuals and entities and that it is the policy of the state that The California Water Plan, with any necessary amendments, supplements, and additions to the plan, is accepted as the master plan which guides the orderly and coordinated control, protection, conservation, development, management and efficient utilization of the water resources of the state.~~

~~(b) The declaration set forth in subdivision (a) does not constitute approval for the construction of specific projects or routes for transfer of water, or for financial~~



~~assistance, by the state, without further legislative action, nor shall the declaration be construed as a prohibition of the development of the water resources of the state by any entity.~~

*(Amended by Stats. 1991, Ch. 620, Sec. 2.)* (a) The California Water Commission department shall develop a long-term Financing Plan to implement the Plan by xxxx.

(b) The Financing Plan shall do the following:

(1) analyze a variety of financing mechanisms including use of General Fund, general obligation bonds and other potential sources of financing to meet the water supply targets in the Plan and provide necessary investments to ensure a water resilient state.

(2) consider cost-effectiveness of various water supply options and compare those costs to the economic costs of supply shortages on various customer classes and the California economy.

(3) recommend actions to be taken by the department, the board or other state agencies to streamline access to funding for projects in all areas of the state that will help achieve the water supply targets including a coordinated application process across state agencies, expedited funding guidelines and an annual report listing projects funded by state agencies with the resulting acre-feet produced.

(d) The commission shall conduct a series of public workshops to give interested parties an opportunity to comment on the financing plan. The commission shall conduct a portion of these workshops in regions of the state that have been impacted the most by drought or other weather extremes, including, but not limited to, communities with minority populations, communities with low-income populations, or both.

(e) the financing plan shall recognize that public water systems, irrigation districts and wastewater service providers utilize different rate structures and avoid mandates for revising those rates or a specific level of investment from public water systems, irrigation districts or wastewater service providers.

#### 10005.1.

The department or, at the department's request, the California Water Commission, shall conduct a series of hearings with interested persons, organizations, local, state, and federal agencies, and representatives of the diverse geographical areas and interests of the state.

*(Added by Stats. 1991, Ch. 620, Sec. 3.)*

#### 10005.2.

Prior to holding a hearing pursuant to Section 10005.1, the department shall give notice by mail of the hearing to persons and entities which have requested notice and have provided their name and address to the department.

*(Added by Stats. 1991, Ch. 620, Sec. 4.)*

#### 10006.

The provisions of this part do not repeal or modify any of the provisions of Part 3 of this division.

*(Added by Stats. 1959, Ch. 2053.)*

#### **10007.**

Notwithstanding anything contained in this part, all applications heretofore filed by the Department of Finance or by the Department of Water Resources under Part 2 of Division 6 shall remain valid and shall retain and have the status and priority accorded to such applications as now or hereafter provided in said Part 2.

*(Added by Stats. 1959, Ch. 2053.)*

#### **10008.**

The Legislature hereby finds and declares that agreements which provide for the transfer of water from the federal Central Valley Project to public entities supplying water for domestic or irrigation use offer potential benefits to California's hard-pressed farmers and to California's water-dependent urban areas.

It is the intent of the Legislature that these contracts be entered into for the purposes of strengthening California's economy, serving the public, and protecting the environment.

The director shall continue to pursue negotiations with the United States Bureau of Reclamation to contract for the interim rights to stored water from the federal Central Valley Project for use in the State Water Resources Development System by state water supply contractors.

*(Added by Stats. 1986, Ch. 1241, Sec. 1. Effective September 26, 1986.)*

#### **10009.**

The director shall pursue discussions with the United States Bureau of Reclamation to permit persons and public entities which have entitlements to water from the federal Central Valley Project, to enter into legally binding contracts with any public entity which supplies water for domestic use, irrigation use, or environmental protection in this state for the transfer of federal water entitlements during times of shortage.

*(Added by Stats. 1986, Ch. 1241, Sec. 2. Effective September 26, 1986.)*

#### **10011.**

(a) In preparing the California Water Plan, the director shall conduct at least one public hearing within the boundaries of the Sacramento-San Joaquin Delta, and shall solicit the comments of water agencies within the delta, agricultural groups representative of delta agricultural activity, environmental groups concerned with protecting delta wildlife habitat, and groups representative of those who utilize water exported from the delta.

(b) The California Water Plan shall include a discussion of various alternatives, including their advantages and disadvantages, for improving and protecting the current uses and configuration of the Sacramento-San Joaquin Delta.

(c) Subdivisions (a) and (b) shall be implemented only to the extent money is appropriated in the annual Budget Act to carry out this section.

*(Added by Stats. 1992, Ch. 953, Sec. 1. Effective January 1, 1993.)*

### 10013.

~~The department, as a part of the preparation of the department's Bulletin 160-03, shall include in the California Water Plan a report on the development of regional and local water projects within each hydrologic region of the state, as described in the department's Bulletin 160-98, to improve water supplies to meet municipal, agricultural, and environmental water needs and minimize the need to import water from other hydrologic regions. The report shall include, but is not limited to, regional and local water projects that use technologies for desalting brackish groundwater and ocean water, reclaiming water for use within the community generating the water to be reclaimed, the construction of improved potable water treatment facilities so that water from sources determined to be unsuitable can be used, and the construction of dual water systems and brine lines, particularly in connection with new developments and when replacing water piping in developed or redeveloped areas.~~

~~*(Amended by Stats. 2002, Ch. 664, Sec. 224. Effective January 1, 2003.)*~~



Our Region's Trusted Water Leader  
**San Diego County Water Authority**

## **SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING FEBRUARY 23, 2023**

1. Retirement of Directors.  
The Board adopted Resolution No. 2023-12 honoring Jim Murtland upon his retirement from the Board of Directors and Resolution No. 2023-13 honoring Chris Cate upon his retirement from the Board of Directors.
2. Adopt positions on various bills.  
The Board adopted a position of Support on SB 23 (Caballero), relating to water supply and flood risk reduction projects: expediated permits.
3. Affirmation of Water Authority Support for Climate Resiliency and Dam Safety Funding.  
The Board adopted Resolution No. 2023-10 in Support of Climate Resiliency and Dam Safety Funding.
4. Monthly Treasurer's Report on Investments and Cash Flow.  
The Board noted and filed the Treasurer's report.
5. Contract Amendment for Clean Energy Capital, LLC, for Financial Advisory Services.  
The Board authorized the General Manager to amend the Clean Energy Capital, LLC, Financial Advisory Services contract to increase the amount by \$470,275, from \$399,725 to \$870,000 to provide financial advisory services supporting financial transactions associated with the final phase of Intake and Discharge System Modifications at the Lewis Carlsbad Desalination Plant.
6. Resolution approving Lakeside Water District's Proposed Yerba Valley Annexation.  
The Board adopted Resolution No. 2023-11 that: a) Resolves that the Water Authority reaffirms and certifies the Notice of Exemption filed by Lakeside Water District (Lakeside WD) as Lead Agency complies with the California Environmental Quality Act (CEQA) and the State CEQA Guidelines, independently determines that the proposed action is categorically exempt from CEQA; and, b) approved the concurrent annexation of Lakeside WD's proposed Yerba Valley Annexation to the Water Authority and the Metropolitan Water District of Southern California (Metropolitan), verifying that all policies have been met, and conditioned upon the fulfillment of all conditions and final approval by the San Diego Local Agency Formation Commission (LAFCO).
7. Service Contract with CH2M Hill Engineers for operation and maintenance of Twin Oaks Valley Water Treatment Plant – 5-year extension option.  
The Board authorized the General Manager to implement the renewal term as listed in Article III of the contract with CH2M Hill Engineers, Inc. (Company) for 5-year extension of continued operation and maintenance of Twin Oaks Valley Water Treatment Plant (Plant).
8. The Board of Directors of The San Diego County Water Authority Ending COVID-19 Emergency Declaration.  
The Board authorized ending the Water Authority's COVID-19 Emergency Declaration.





9. Confirm the submittal for appointment of Director Eric Heidemann as the alternate representative to the Colorado River Board of California.  
The Board adopted Resolution No. 2023-14 confirming the Submittal for Appointment of Director Eric Heidemann as the Alternate to the Colorado River Board of California.
10. Approval of Minutes.  
The Board approved the minutes of the Special Board of Directors' meeting of January 12, 2023, and the Formal Board of Directors' meeting of January 26, 2023.