

VALLEY CENTER MUNICIPAL WATER DISTRICT

Regular Board Meeting

Monday, March 6, 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, Director of Operations and Facilities Lovelady, Manager of Accounting Velasquez, Senior Engineer Lyuber Executive Assistant/Board Secretary Peraino, Project Manager Carrillo, General Counsel de Sousa, and Federal Consultant Howells (HGR) present in-person.*

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. There was one in-person speaker, Bill Krusheski who voiced opposition to installation fees and charges for his client Hilda Elorza.

CONSENT CALENDAR

1. **Minutes of the Regular Board Meeting Held Tuesday, February 21, 2023;**
2. **Audit Demands for Check Nos. 165475 – 165582 from February 10 thru 23, 2023;**
3. **Treasurer's Report for Month Ending January 31, 2023; and**
4. **Adoption of Resolution No. 2023-06, Setting Public Hearing Date for Water Availability Charges.**

Action: Upon motion by Smith, seconded by Ferro; and carried with four (4) affirmative votes, the previously listed consent calendar items were approved.

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ACTION AGENDA

5. 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):

A summary of San Diego County Water Authority's North County Emergency Storage Project—Valley Center Improvements (NCESP-VCI), was provided by Senior Engineer Lyuber. In November 2018, the District entered into a Phase 1 Agreement with the San Diego County Water Authority (SDCWA) and Yuima Municipal Water District (YMWD) for funding the design of the NCESP-VCI. SDCWA will fund the pipeline and pumping improvements within the District's system to enable the ESP supply to deliver emergency water to the VC 3 Flow Control Facility and Yuima's Flow Control Facility on the First Aqueduct. Valley Center Municipal Water District ("District") is responsible for overseeing the design services and construction of the project.

Mr. Lyuber reminded the Board, that at their August 21, 2021 Regular Board Meeting, the District adopted Resolution No. 2021-30 making responsible agency findings pursuant to the California Environmental Quality Act, adopted the associated Mitigation Monitoring Program, approving the North County Improvements of the Emergency Storage Project, and directed staff to file the Notice of Determination with the County Clerk as the responsible agency.

A review of the stakeholder responsibilities was given, by Mr. Lyuber. The SDCWA is responsible for the reimbursement of all costs (including staff expenses), the design and construction of the project, and will be the primary O&M during an ESP event. The SDCWA is also responsible for CEQA environmental compliance and land acquisitions. YMWD will coordinate with the District in the design and construction of the project, and will enter into a separate O&M agreement with VCMWD. Lastly, the District is responsible for facilitating all phases of design & construction, and at the conclusion of the project, the District will own and operate all improvements. A summary of next steps was given, stating that the construction phase agreement was approved by YMWD at their February 27, 2023 Board Meeting and will be presented for approval by SDCWA at their March 23, 2023 Board Meeting. Staff will return to the Board in April with request to award the construction contracts for the project.

Staff recommended adoption of Resolution No. 2023-07, approving the construction phase agreement between Valley Center Municipal Water District, San Diego County Water Authority, and 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.

Action: Upon motion by Ferro, seconded by Ness; the following Resolution was approved with four (4) affirmative votes:

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 IMPROVEMENTS IN VALLEY CENTER AND YUIMA MUNICIPAL WATER DISTRICTS

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was adopted by the following vote, to wit:

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

INFORMATIONAL AGENDA

6. Lower Moosa Canyon Main Motor Control Center Replacement Project Closeout Report:

Closeout Report for the Lower Moosa Canyon Main Motor Control Center Replacement Project ("Project") was provided by Project Manager Carrillo. Project background, details and pictures were presented for review. Hydrotech Electric was the low bidder and selected for the project with a bid amount of \$531,471, 15% higher than the Engineer's Estimate. The project consisted of the removal of existing gear, Meter/Main Switchboard (MSB), MCC-1 and EMCC-1 and replaced it all in place. A temporary switchboard was installed for temp power to the existing plant equipment during the cutover period.

The project construction began on July 14, 2021, with an original contract duration of 279 calendar days. The project was actually completed in 443 calendar days, with the Notice of Completion taking effect on September 16, 2022. Mr. Carrillo noted, the majority of the project duration was the procurement of the MCC equipment and gear. Due to supply chain issues and long lead times for the equipment the project was extended multiple times.

An overview of the change orders issued throughout the project was given, as follows:

- **Change Order 1** – Time Extension for delayed delivery of the Main Service Panel of 134 calendar days; no additional costs.
- **Change Order 2** – Furnish labor and materials to incorporate the operation of Clarifier #2 into the construction sequence per VCMWD; \$1,559 in additional costs.
- **Change Order 3** – SDG&E Installation service fee and a time extension of 30 calendar days for manufacturer delays for the main circuit breaker and surge protection device; \$8,657 in additional costs.

Funding in the amount of \$50,000 for the project was originally authorized with the FY 2017-18 Annual Budget and amended in FY 2019-20, FY 2020-21, and FY 2021-22 for a total budget of \$925,000. The project was completed \$30,748 under budget (with balance to be recaptured in the FY 2023-24 annual budget), with a final project cost of \$894,252, stated Mr. Carrillo.

Action: Informational item only, no action required.

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

Closeout Report for the Burnt Mountain and Reidy Canyon Nos. 1 & 2 Reservoirs Painting and Recoating Project ("Project") was provided by Senior Engineer Lyuber. Project background, details and pictures were presented. Reidy Canyon No. 1 is a 50-foot diameter by 35-foot tall 0.5 million gallon aboveground welded steel potable water reservoir, Reidy Canyon No. 2 is a 70-foot diameter by 35-foot tall 1.0 million gallon aboveground welded steel potable water reservoir, and Burnt Mountain Reservoir is a 74-foot diameter by 34-foot tall 1 million gallon aboveground welded steel potable water reservoir.

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Burnt Mountain and Reidy Canyon No. 2 involved interior coating, exterior painting, and structural repairs. Structural repairs included the 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 received exterior painting, interior coating was completed in 2019 (at that time, it was decided to postpone the exterior as it was still in okay enough shape with the anticipation of this project to take a place a few years later).

The notice to proceed was issued on May 31, 2022, with an original contract duration of 120 calendar days. The project was actually completed in 202 calendar days, with the notice of completion taking effect on December 19, 2022.

An overview of the change orders issued throughout the project was given, as follows:

- **Change Order No. 1** — At Reidy Canyon No. 2, the existing doubler plate and vent required full replacement and replacement of roof rafter beam clips and various additional welding and reinforcement work. 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. 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 along with additional material cost due to increase in rafter size (documents specified a smaller rafter size than those that existed). Net increase of \$24,556 and 28 additional days to the contract.

The District's performance standard of +/- 10% of engineer's estimate of \$850,000, was not met due to market volatility resulting from the pandemic. The project was originally budgeted in FY 2021-22 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).

Action: Informational item only, no action required.

GENERAL MANAGER'S AGENDA

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

The Board will consider action to support the District's application for Federal Infrastructure funding through the House and Senate Interior, Environment, and Related Agencies Appropriations Bill. Jaqueline Howells of HGR Government Relations (consultant for the District) prepared a grant application for the Old Castle Road Phase 2 Pipeline Replacement Project, totaling \$3,772,000 in funding. The grant applications will be submitted to the offices of Senator Feinstein and Padilla later today – the application through Congressman Issa's office will follow later this month. Resolution No. 2023-08 will indicate the need and the District's support of the grant application.

Action: Upon motion by Smith, seconded by Ness; the following Resolution was approved with four (4) affirmative votes:

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RESOLUTION NO. 2023-08

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
VALLEY CENTER MUNICIPAL WATER DISTRICT 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

was adopted by the following vote, to wit:

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

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

Background on the Save the Water Crisis (STWC), "CA Water for All" program, and SB366 was given by General Manager Arant, who stated that there is growing interest among California's legislators to address the issue that continuing to just focus on water conservation year after year is not going to solve California's looming water supply crisis. SB 366, by Senator Caballero, is closely aligned with the *Solve the Water Crisis* effort and is judged to have the greatest chance of success.

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 that would like to participate at the funding level have been asked to make a one-time \$20,000 contribution to California Municipal Utility Association, in support of this effort.

Staff recommended the District participate in this new effort, which will not require a budget increase since needed funds can be reallocated from existing under-expended accounts. As a result of the STWC campaign, attention has been brought to long-term water issues among our opinion, policy, and political leaders. Currently, the "CA Water for All" effort has captured the attention of a state legislator, willing to draft a bill that will set forth actual infrastructure goals and timelines, as well as hold state agencies responsible and accountable for meeting those goals.

Action: Upon motion by Ferro, seconded by Ness; staff recommendation to approve up to \$20,000 to support the "CA Water for All" program, was approved with four (4) affirmative votes.

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

San Diego County Water Authority Board Meeting Summary for February 23, 2023 was reviewed.

Action: Informational item only, no action required.

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11. General Information:

General informational items were reported on by General Manager Arant.

Action: Informational item only, no action required.

DISTRICT GENERAL COUNSEL'S AGENDA

General Counsel de Sousa gave a brief update on pending legislation.

BOARD OF DIRECTORS' REPORTS ON MEETINGS ATTENDED

None

CLOSED SESSIONS

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

ADJOURNMENT

Action: Upon motion by Smith, seconded by Ness; motion passes with four (4) affirmative votes, the regular meeting of the Board of Directors was adjourned at 3:32 PM.

ATTEST:

ATTEST:

Robert A. Polito, President

Kirsten N. Peraino, Secretary

Approved at a regularly scheduled Board Meeting on Monday, March 20, 2023