

VALLEY CENTER MUNICIPAL WATER DISTRICT
MINUTES
Regular Meeting of the Board of Directors
Monday, June 16, 2025 — 2:00 P.M.

The Valley Center Municipal Water District Board of Directors' meeting was called to order by President Ferro at 2:00 PM. In the Board Room at 29300 Valley Center Rd.; Valley Center, CA 92082, and livestreamed on the District's website at www.vcmwd.org.

ROLL CALL

Board Members Present: *Directors Ferro, Holtz, Smith, and Stehly.*

Board Members Absent: *Director Ness.*

Staff Members Present: *General Manager Arant, District Engineer Grabbe, Director of Finance and Administration Pugh, Director of IT Pilve, Director of Operations and Facilities Lovelady, Environmental and Regulatory Compliance Manager/Deputy Director of Operations Rutherford, Manager of Accounting/Deputy Director of Finance and Administration Velasquez; Senior IT Specialist Day, Executive Assistant/Board Secretary Peraino, and General Counsel David LLOYD present in-person.*

PUBLIC COMMENT(S)

President Ferro established for the record the process by which public comments are received by the Board; this process was also described in the Agenda for the meeting.

CONSENT CALENDAR ITEMS

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 Monday, June 2, 2025; and**
2. **Audit Demands for Check Nos. 171700 – 171770 from May 24 – June 6, 2025 and Wire Disbursements for the Month Ended May 31, 2025;**
3. **Treasurer's Report for Month Ended April 30, 2025; and**
4. **Approval of Resolution No. 2025-16 Supporting the Nomination of Carol Lee Gonzales-Brady, Rancho California Water District, for the Office of ACWA Vice President.**

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

PUBLIC HEARING ITEM(S)

5. **Public Hearing to Review Status of Vacant Positions as Required by Assembly Bill 2561:**

A public hearing to receive written and oral input on the status of vacant positions as required by AB 2561, was opened by President Ferro at 2:04 PM. Effective January 1, 2025 – AB 2561 amends the Meyers-Milias-Brown Act (MMBA) by adding Government Code § 3502.3. AB

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

2561 was introduced to address the issue of job vacancies in local government, which adversely affects the delivery of public services and employee workload, stated Human Resources Analyst Stephanie Lackerdas. As part of the bill, public agencies are required to provide a report on recruitment and retention efforts during a public hearing each year before their governing bodies.

Should the vacancy rate within a bargaining unit reach 20% of the total authorized full-time positions, AB 2561 sets forth additional information that the District will provide upon the request of the employee organization representing that bargaining unit. Including internal “domino effect” vacancies, for FY 2024-25, the District’s vacancy rate was 0% – 2.73%, falling well below the 20% threshold. In regards to retention, the current average years of service for District employees is 11.32 years. Ms. Lackerdas said that 42% of full-time employees have served more than 10 years.

It was noted that no written comments were received, nor were there any oral remarks made following the opportunity for public input. The public hearing was closed at 2:15 PM.

Action: The Board received and filed the report, in compliance with AB 2561, for FY 2024-25.

ACTION ITEM(S)

6. Implementation Schedule for the Proposed SDCWA Fixed Transportation Charge for the FY 2025-26 Budget:

Manager of Accounting/Deputy Director of Finance and Administration Vanessa Velasquez provided the Board with an opportunity for continued consideration of implementing an SDCWA Fixed Transportation Charge. At the regular meeting of May 19, 2025, the Board was presented information for consideration in regards to implementing a SDCWA Fixed Transportation Charge to the water bill.

Options for a 1, 2, and 3-year phased in implementation period for the SDCWA Fixed Transportation Charge were presented, as follows:

	Domestic Rate			PSAWR Rate		
	Proposed Rate	Increase (\$)	Increase (%)	Proposed Rate	Increase (\$)	Increase (%)
<i>Current Wholesale Commodity Rates</i>	\$2,809.45			\$1,900.70		
No Fixed Transportation Charge	\$3,058.64	\$249.19	8.9%	\$2,149.57	\$248.87	13.1%
1-year Implementation	\$2,879.35	\$69.90	2.5%	\$1,970.28	\$69.58	3.7%
2-year Implementation	\$2,969.00	\$159.55	5.7%	\$2,059.93	\$159.23	8.4%
3-year Implementation	\$2,998.88	\$189.43	6.7%	\$2,089.81	\$189.11	9.9%

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

Meter Size	Implementation Phase-in Options		
	1-year	2-year	3-year
3/4"	\$14.25	\$7.50	\$4.75
1"	\$19.00	\$10.00	\$6.34
1-1/2"	\$28.50	\$15.00	\$9.51
2"	\$38.00	\$20.00	\$12.68
3"	\$57.00	\$30.00	\$19.02
4"	\$76.00	\$40.00	\$25.36
6"	\$114.00	\$60.00	\$38.04
8"	\$152.00	\$80.00	\$50.72

Action: The Board directed staff to incorporate into the FY 2025-26 annual budget, the SDCWA Fixed Transportation Charge, incrementally, and phase in over a 3-year period.

7. Approval of Mutual Services Agreement Exhibit A – State and Federal Representation:

At the regular meeting of February 18, 2025, the Board authorized the General Manager to execute the Mutual Services Agreement ("Agreement") on behalf of the Valley Center Municipal Water District, subject to review by District General Counsel. This agreement was executed on March 5, 2025, between Fallbrook Public Utility District (FPUD), Rainbow Municipal Water District (RMWD), Yuima Municipal Water District (YMWD), and Valley Center Municipal Water District (VCMWD).

As an outgrowth of the Agreement, the four agencies sought proposals for joint State and Federal representation services as described in Exhibit "A". The only proposals submitted came from Fernandez, Jensen, and Kimmelshue for State Representation and the RBW Group for Federal Representation. As part of the proposals, FJK requested a fee of \$10,000 per month, and RBW, \$15,000 per month, for total cost of \$300,000 per year. This total will be allocated among four agencies at \$75,000 per year, per agency. General Manager Arant noted that VCMWD is the first of the four agencies to vote on approval of Exhibit A to the Agreement. Staff recommended the Board approve Exhibit "A" to the Mutual Services Agreement Between FPUD, RMWD, YMWD, and VCMWD, contingent upon full participation from the remaining three agencies (as outlined in the Board Memo).

Action: Upon motion by Stehly, seconded by Smith; and carried with four (4) affirmative votes, motion to approve Exhibit A was approved.

INFORMATION ITEM / POSSIBLE ACTION ITEM(S)

8. Energy Program Overview:

A preview of the District's Energy Program was presented by Environmental and Regulatory Compliance Manager/Deputy Director of Operations Roy Rutherford. The District's Energy Program aims to efficiently use existing energy resources and explore new ways to reduce consumption and costs. It focuses on meeting system demand, maintaining water quality, and

Valley Center Municipal Water District Board of Directors' Meeting Minutes

complying with regulations. The program is divided into five energy-related segments that have a direct impact on the District's energy usage and overall expenses:

1. **SDG&E Rate Selection:** This process involves selecting cost-effective electricity rate plans by analyzing historical and projected consumption data to optimize delivery and generation charges. Staff assesses these factors to choose the best combination of delivery and electricity schedules for a specific meter.
2. **Energy Management:** The Energy Program integrates best practices to optimize energy use in water and wastewater operations, focusing on minimizing high-cost energy usage and demand charges, selecting the most efficient pumps for flow demands, and regularly assessing wastewater blower speeds and runtimes to align with process needs.
3. **Pump Efficiency Testing and Maintenance:** Staff conducts annual electric motor and pump efficiency testing at the District's pump stations. Based on efficiency test results, staff replaces or refurbishes underperforming pumps and motors to optimize facility efficiency.. The Operations staff also incorporates the pumping efficiency test data into their pump selection process and pumping strategies.
4. **Development of New Energy Sources:** SDG&E currently provides approximately 65% of the total electricity consumed by the District, the remainder is supplied by the District's six solar generating facilities and three Power Purchase Agreement (PPA) solar facilities. The District is actively pursuing alternative energy suppliers and storage solutions. This includes expanding solar facilities and investigating community choice aggregators to complement the electricity supplied by SDG&E.
5. **Regulatory Changes:** Staff actively monitors and participates in water community work groups for the proceedings and rulemakings of the California Public Utilities Commission, California State Legislature, California Air Resources Board and SDG&E , regarding regulations that may impact District energy programs and costs..

Action: Informational item only, no action required.

9. General Information:

General Manager Arant ...

Action: Informational item only, no action required.

DISTRICT GENERAL COUNSEL'S ITEM(S)

None.

BOARD OF DIRECTORS' AB1234 REPORTS ON MEETINGS ATTENDED

None.

CLOSED SESSION ITEM(S)

None

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

ADJOURNMENT

Action: Upon motion by Smith, seconded by Stehly; motion passed with four (4) affirmative votes, the regular meeting of the Board of Directors was adjourned at 3:31 PM.

ATTEST:

ATTEST:

Kirsten N. Peraino, *Secretary*

Enrico P. Ferro, *President*

Approved at a regularly scheduled Board Meeting on Monday, July 7, 2025