

MINUTES OF A MEETING OF THE
ENGINEERING/EQUIPMENT COMMITTEE
OF THE VALLECITOS WATER DISTRICT
MONDAY, JANUARY 28, 2019 AT 3:00 P.M.
AT THE DISTRICT OFFICE, 201 VALLECITOS DE ORO,
SAN MARCOS, CALIFORNIA

Director Hernandez called the meeting to order at the hour of 3:00 p.m.

Present: Director Hernandez
 Director Elitharp
 General Manager Pruim
 District Engineer Gumpel
 Capital Facilities Senior Engineer Hubbard
 Development Services Senior Engineer Scholl
 Administrative Secretary Johnson

ITEMS FOR DISCUSSION

CIP PROGRESS UPDATE

Capital Facilities Senior Engineer Hubbard presented the FY 2017/2018 End of the Year Report which included a summary of Capital Improvement Program (CIP) projects and completed projects. Construction contracts totaled \$1,172,269 for FY 2017/2018 during which much design work took place. The construction of several projects is proceeding during the current fiscal year. He discussed monthly tracking of expenses, change orders, outside contracts, purchased materials, and reimbursements. Historically, the District's change order percentage (1.78% for FY 2017/2018) is well below the industry standard of 8% to 10% and 7.5% to 10% as specified in District Ordinance No. 165. Completed projects included the Lift Station 1 Wet Well Room Repairs and Nursery Valve Relocation.

Capital Facilities Senior Engineer Hubbard provided status updates on FY 2018/2019 second quarter CIP projects, accessing information available on the District's website. Projects discussed included the North Twin Oaks Tank Refurbishment, Sewer Bypass Repair, Stargaze Court and River Run Circle Waterline Rehabilitation, Palos Vista Pump Station Electric Generator, Rock Springs Sewer Replacement, Montiel Gravity Outfall, San Marcos Interceptor Phase 2, Operations Building Locker Room Expansion, Fulton Road/NCTD Easement/Laurels Subdivision Sewer Lining, and Schoolhouse Tank Refurbishment.

District Engineer Gumpel discussed factors that are considered before deciding whether to hire an outside consultant for a project. Is there in-house expertise? If yes, can the project be completed more cost effectively in-house than outsourcing it? If so, is there

enough staff to complete the project? He provided several examples of projects that were done in-house or with an outside consultant for cost comparisons.

Mike Hunsaker, member of the public, asked how additional capacity in a CIP project for new development is calculated and billed. District Engineer Gumpel explained that the volume which can be handled by the increased capacity is calculated and prorated equally. The funds come from capacity fees.

DEVELOPMENT PROJECT UPDATE

Development Services Senior Engineer Scholl reviewed a list of development projects currently under construction, in plan check, and in design/planning. A map indicating where the projects are located was provided to the Committee. Projects in plan check may be built in one to five years. Projects in design/planning may never be built, but the District is aware of them. This information is helpful to project how much and when capacity fees could be expected to be collected.

Mike Hunsaker, member of the public, asked if a development starts using more water than they bought EDUs for, are they required to purchase a new meter, or do they just get so much capacity per dollar?

Development Services Senior Engineer Scholl stated that it depends on the type of operation and what the water is used for. In some cases, they pay additional capacity fees; others need a larger meter for their additional use. In that case, they would have to purchase a larger meter and have it installed.

General discussion took place regarding the difference between EDUs and units, how EDUs are calculated, water demand, uniform plumbing code, and fixture counts.

GROUNDWATER UPDATE

District Engineer Gumpel stated three options for the groundwater study are being considered in terms of how much infrastructure would have to be built, at what cost with or without grant funding, how long will it take, what legal obstacles are present, and the approximate cost per acre foot range.

Development Services Senior Engineer Scholl discussed the three options:

- Non-potable – irrigation (natural recharge)
- Potable – installation of desalter required (natural recharge)
- Collaborate with Encina for treated water (VWD to inject it into groundwater basin for basin recharge)

Development Services Senior Engineer Scholl stated staff recently provided data to Woodard & Curran that they requested. He anticipates they will begin their evaluation of the options soon.

Staff will continue to provide quarterly updates on the groundwater study to this Committee.

DISTRICT-WIDE SOLAR UPDATE

District Engineer Gumpel stated staff is moving forward with RFPs for the Twin Oaks site, a two-megawatt system, and the Lift Station 1 site, a net-metering project. Both sites are subject to the California Environmental Quality Act (CEQA) process which will delay the project timeline and will require Mitigated Negative Declarations (MND). Staff has contacted a CEQA consultant for scope and fees. The possibility of floating solar at the Mahr Reservoir is problematic but is still under consideration.

Staff anticipates providing an update on the District-wide solar project and consultant award for the MND at the February 20 Board meeting.

Mike Hunsaker, member of the public, commented on the lawsuit with the County regarding cap and trade fees, and suggested the District ensure that any mitigation feature is local. He believes this would be an ideal project to be paid for out of cap and trade fees. He also suggested staff order replacement parts, especially inverters, and that batteries would be a good cap and trade feature as well.

CONDITION ASSESSMENT UPDATE

District Engineer Gumpel stated the District is beginning to create a full asset management program consisting of three components, the first two of which are currently in process. The first component is the Computer Maintenance and Management System (CMMS) which has been successfully utilized by operations for many years, tracking the District's work load, work orders, etc. The second component is pipeline assessment which has been done for many years for sewer. All of the District's sewer pipes are assessed via video roughly every two years. Staff is now working toward assessing water pipes. The third component is full asset management which combines data from the CMMS and sewer pipe assessments, and now adding water pipe assessments, to create an asset management plan to be used as an operational and financial tool. The plan will help to extend the life of assets, spend maintenance funds where needed, and save the rate payers money in the long run by making appropriate decisions as to pipe replacements.

District Engineer Gumpel further stated staff is working with a consultant to start the condition assessment of ductile iron and steel water pipes and evaluate various pipe tool options to determine what works best with different types of pipe. A program will be developed to regularly assess the pipes in order to prioritize projects and help reduce emergency breaks over time. There are potential cost savings as well in not having to replace sections of pipe that might have otherwise been thought to need replacement.

General discussion took place.

District Engineer Gumpel stated a consultant will be hired in February or March to assist with the asset management process, form a scope, and develop a strategy.

OTHER BUSINESS

None.

PUBLIC COMMENT

Mike Hunsaker, member of the public, commented on the recent loss of desal water, the use of wastewater to make desal, a pilot program in Yuma which produces desal at a cost of approximately \$300 per acre foot, and using river water versus ocean water for desal. He stated this is an appropriate time for the District to put a good asset management plan in place tied in with finance and depreciation.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at the hour of 4:34 p.m.