



**VALLEY COUNTY WATER DISTRICT
MINUTES FOR THE MEETING OF THE CAPITAL IMPROVEMENTS & RATES COMMITTEE HELD
THURSDAY, MARCH 27, 2014**

Committee Members Present: Director Paul C. Hernandez, Chairperson
Director Alfonso Contreras, Co-Chairperson

Others Present: President Lenet Pacheco

Staff Present: General Manager – Lynda Noriega
Operations & Maintenance Manager – Tom Mortenson

The regular meeting of the Capital Improvements & Rates Committee Meeting held on Thursday, March 27, 2014 was called to order at 6:00 pm by Director Hernandez.

1. Review DRAFT 2013 Water Master Plan Update Prepared by Civiltec Engineering, Inc

- Director Hernandez briefly reviewed the action items from the previous Capital Improvements & Rates Committee meeting; explained that the Committee requested for management to prioritize the capital improvement projects listed within the plan; recommended that staff review the prepared agenda packet material, which would then be followed with questions from the members of the Committee; added that he wanted to review the amount of money reserved for capital improvements in relation to fire flow concerns as discussed at the previous meeting; suggested that the goal of the Committee would be to develop a prioritized plan for moving forward with capital improvements
- General Manager reviewed that the Water Master Plan provided a list of upcoming projects related to the infrastructure of the District; stated that many of the listed projects were contingent on the completion of the 6 million gallon reservoir project; explained that the reservoir project was given the highest priority; reported that the agenda packet materials detailed the anticipated budgets for the reservoir project over a 7-year period based on time constraints related to the completion of each phase, beginning with property acquisition and concluding with reservoir construction; added that the projected budget also considered maximizing self-funding and minimizing debt funding and related interest expense; explained that the pipeline replacement project budget was based on an equal distribution of the total cost of all upgrades identified and grouped by the District and Civiltec Engineering; added that some hydraulic deficiencies were identified; explained that field testing would be completed prior to determining a scope of work for the proposed pipeline replacement projects
- Operations & Maintenance Manager clarified that the hydraulic deficiencies were broken down into multiple focus areas; explained that upgrading one area may automatically improve the pressure of another area; added that each area would be re-evaluated after each pipeline replacement completion; stated that the suggested order of the pipeline replacement projects could be changed by unanticipated construction schedules, such as City street construction or increased main leaks
- General Manager stated that the order to the pipeline replacement projects were partially based on recommendations from the Utility Service Worker Supervisor
- Director Contreras asked if the pipelines were being replaced with the same size pipes

- Operations & Maintenance Manager responded that the pipelines would be replaced with a minimum of 8" pipe
- Director Hernandez asked how these projects would address the fire flow concerns listed in the Water Master Plan
- Operations & Maintenance Manager responded that field testing would identify the areas that needed prioritized attention
- Director Hernandez stated that he was concerned about the water pressure needed by fire fighters to do their jobs safely; asked if the priority list needed adjusting in order to address the low pressure and low flow areas
- Operations & Maintenance Manager stated that upgrading a pipe in one area may not improve the pressure until the pipes that feed into that area have been replaced; added that the flow of the water and the size of the water main would also need to be taken into consideration
- Director Contreras stated that his goal would be to utilize the funds of the District in the most efficient manner, minimizing the use of reserve funds; added that he would also like to bring all of the utilities together in order to collaborate on construction efforts in order to save money; asked that the District be mindful of potential City projects that may affect the schedule of any pipeline replacement projects; added that the District may save money by taking advantage of their scheduled construction
- Operations & Maintenance Manager stated that this was a common occurrence; added that the District maintained constant communication with the City of Baldwin Park and the City of Irwindale regarding planned construction
- Director Contreras asked for verification of a potential duplicate project area on the list provided in the agenda packet
- General Manager confirmed that it was a typo; commented that the table would be corrected
- Director Hernandez confirmed that the two major projects for the District were the reservoir project and the pipeline replacement projects; asked if these projects still left available funds for projects not listed in the Water Master Plan
- General Manager confirmed that there would be minor projects, such as office equipment and vehicle replacements; reported that potential projects, such as well and pump rehabilitations, may also be added into the annual capital improvements budget over time; stated that the cost for projects such as these would be minimal compared to the reservoir project and the pipeline replacement projects
- Director Hernandez inquired about the telemetry items listed in the Water Master Plan
- Operations & Maintenance Manager clarified that telemetry items would be used throughout the production and distribution system of the District; explained that a complete telemetry system would help monitor residuals and quantify facility production
- Director Hernandez inquired about the cost of a full telemetry system installation
- Operations & Maintenance Manager reported that the cost of a full telemetry system installation was estimated at about \$300,000, which included the additional service to the booster pumps
- Director Hernandez stated that he would like to have further discussions regarding the minor projects that were not listed in the Water Master Plan as he did not want to undervalue their importance; stated that he believed the Committee was responsible for recommending the best group of projects to the Board of Directors for consideration
- Director Contreras stated that he would like to know how much revenue the District anticipated annually in efforts of properly allocating the funds to the capital improvement projects; reiterated that his goal was to utilize the funds of the District in the most efficient way possible
- General Manager explained that the capital improvement plan being discussed would be a tool for the upcoming budget planning with the Finance Committee; acknowledged that the amounts were estimates that may fluctuate based on field testing and other needs of the District

- Director Hernandez asked if the meter replacements were included in the pipeline replacement projects
- Operations & Maintenance Manager explained that the valves, service lines, and customer valves were replaced as part of the pipeline replacement project; added that the meters were replaced as needed
- Director Hernandez asked if the District maintained a meter replacement program
- General Manager responded that the District did not have a meter replacement program; explained that meters were identified by the Utility Service Worker – Meter Readers for replacement during the normal course of their duties; added that the meters were assessed and replaced as needed
- Operations & Maintenance Manager reported that the District may run a pilot program of automated meters for high use commercial accounts
- Director Contreras suggested running the pilot program at the anticipated loft project proposed by the City of Baldwin Park on Ramona Boulevard
- Operations & Maintenance Manager responded that the City may have an issue with the additional cost of the automated read meters compared to the manual read meters
- Director Contreras explained that if the meter pilot project were sited for the proposed housing project, the District may consider funding the additional cost of the automated read meter
- Director Hernandez suggested that management revise the capital improvement priority list for a final review by the Committee with the following recommendations:
 1. Requesting and adding a proposed budget for a complete telemetry system installation
 2. Grouping and addressing the pipeline replacement projects with regard to single family residential pressure and fire flow availability
 3. Addressing projects with regard to school site pressure and fire flow availability
- Director Contreras recalled that the Board of Directors discussed the low flow fire hydrants and the inability of the District to pressure test due to the drought conditions
- Operations & Maintenance Manager stated that the District curtailed the flushing program due to the drought conditions; explained that the District could test the pressure of the hydrants if needed; added that pressure and fire flow tests at some of the school sites were recently completed
- General Manager suggested having Civiltec Engineering review the single family residential areas with low hydrant pressures and flows and group them with the pipeline replacement projects
- Director Hernandez recommended that staff develop a long term plan regarding how to address the low pressure concerns
- Director Contreras asked if the proposed 72-loft project would affect the proposed pipeline replacement projects considering their anticipated needs
- Operations & Maintenance Manager explained that it would not; added that the District had the capacity to serve the anticipated project
- Director Hernandez reiterated that management revise the capital improvement priority list for a final review by the Committee with the following recommendations:
 1. Requesting and adding a proposed budget for a complete telemetry system installation
 2. Grouping and addressing the pipeline replacement projects with regard to single family residential pressure and fire flow availability
 3. Addressing projects with regard to school site pressure and fire flow availability

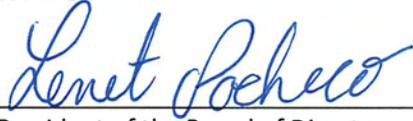
2. Other Business

- Operations & Maintenance Manager stated that he would be presenting vehicle purchases at the next Board of Directors meeting; added that the approved capital improvements budget proposed the replacement of 3 – ½ ton utility trucks and the replacement of 1 – 1 ton dump truck; explained that the manufacturer did not make 1 ton dump trucks anymore; stated that the District utilized the small dump truck for several small jobs; commented that the dump truck needed some maintenance to keep it

running efficiently; concluded that the required maintenance would be completed in-lieu of purchasing a new dump truck

The regular meeting of the Capital Improvements & Rates Committee held Thursday, March 27, 2014 was adjourned at 7:12 pm by Director Hernandez.

SIGNED:



President of the Board of Directors

ATTEST:



Secretary of the Board of Directors

(OFFICIAL VCWD SEAL)