



**VALLEY COUNTY WATER DISTRICT
MINUTES FOR THE MEETING OF THE CAPITAL IMPROVEMENTS & RATES COMMITTEE HELD
TUESDAY, AUGUST 18, 2015**

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

Staff Present: General Manager – Lynda Noriega
Operations & Maintenance Manager – Tom Mortenson
Finance & Customer Service Manager – Jandy Macias

Others Present: Mr. William Tam – Director of Public Works, City Of Irwindale
Ms. Kari Helman – Helman Architects, Inc

A. CALL TO ORDER

The meeting of the Capital Improvements & Rates Committee held on Tuesday, August 18, 2015, was called to order at 5:30 pm by Vice President Hernandez.

B. CLOSED SESSION

Vice President Hernandez convened the Closed Session of the Capital Improvements & Rates Committee meeting held on Tuesday, August 18, 2015 at 5:31 pm with President Contreras and Vice President Hernandez in attendance.

Vice President Hernandez adjourned the Closed Session of the Capital Improvements & Rates Committee meeting held on Monday, August 18, 2015 at 5:56 pm.

1. CONFERENCE WITH LEGAL COUNSEL

Pursuant to Government Code 54956.9

Anticipated Litigation – One Potential Case

- General Counsel reported that the Capital Improvements & Rates Committee met in Closed Session to discuss undisclosed anticipated litigation; commented that no reportable action was taken

C. DISCUSSION/INFORMATION ITEMS

General Manager reported that Ms. Kari Helman of Helman Architects, Inc had not arrived at the meeting; recommended proceeding with Item C2 of the agenda since the Director of Public Works from the City of Irwindale, Mr. William Tam, was in attendance

Vice President Hernandez stated that the committee would proceed with discussing Item C2; added that Item C1 would follow when Ms. Helman arrived

2. Discuss the City of Irwindale Housing Project on Hidalgo Street as Related to the Installation of Fire Protection Facilities

- General Manager stated that the City of Irwindale had requested to install house meters for a City of Irwindale housing project located on Hidalgo Street; added that an evaluation was completed and an estimate was prepared by the Operations & Maintenance Manager and Civiltect Engineers for the necessary water facilities required to ensure adequate fire flow to the new construction development; explained that the Operations &

Maintenance Manager worked with the City of Irwindale and would be reviewing the details of the project with the committee

- Operations & Maintenance Manager explained that Hidalgo Street was located off of Irwindale Avenue south of Arrow Highway; described the street as a cul-de-sac extending west; explained that Hidalgo Street was an older area with a lot of undersized 4-inch water mains; stated that there was also a 4-inch fire hydrant connected to the water main on Hidalgo Street; stated that the City of Irwindale wanted to build a housing project on Hidalgo Street; added that one of the requirements with the Los Angeles County Fire Department was to ensure that there was adequate fire flow to any new construction project; commented that most of the houses on Hidalgo Street were built in the 1940's and 1950's; commented that at the time the homes were built, the fire flow was adequate and met the standards imposed by the Los Angeles County Fire Department; explained that based on current standards, the existing 4-inch fire hydrant did not meet the fire flow requirements; stated that the fire hydrant needed to be upgraded, however it could not be upgraded on the existing 4-inch water main; added that the project was approximately 350 feet from Irwindale Avenue; explained that the 4-inch water main extended 500 feet to the end of the cul-de-sac; reported that the fire hydrant was approximately 350 feet west on Hidalgo Street; commented that the policy of the District was to upgrade the undersized infrastructure to meet fire flow requirements rather than lay a double main, which was the original request of the City of Irwindale; recommended that if the District was going to replace the pipeline from Irwindale Avenue to where the hydrant was placed, or approximately 350 feet, the District would replace all of the infrastructure, including all 500 feet of pipeline, service lines, valves, and fire hydrants; stated that the price to replace all identified infrastructure was approximately \$130,000; added that this would be a brand new pipeline system similar to the improvements occurring on Clydeswood Avenue in the City of Baldwin Park; stated that the City of Irwindale requested to only replace up to point of the fire hydrant installation, or approximately 350 feet west on Hidalgo Street; reported that the price would be \$108,845 to replace 350 feet of pipeline, service lines, valves, and fire hydrants; explained that the City of Irwindale requested that the District install the remaining 150 feet of 8-inch water main and replace all of the service lines and valves; commented that Hidalgo Street was not included in the pipeline replacement strategic plan for at least another 5 years
- Mr. William Tam of the City of Irwindale stated the one of the critical things that was evaluated was how the fire flow measured in the area; commented that the Operations & Maintenance Manager reported that the fire flow was 251 gallons per minute (gpm), which was substantially less than the minimum 1,250 gpm required by the Los Angeles County Fire Department for new construction developments
- Operations & Maintenance Manager explained that the field tested fire flow was under 300 gpm; reiterated that the current standard was 1,250 gpm; stated that the Los Angeles County Fire Department did not evaluate or consider sub-standard fire flow information for existing structures; added that, however, any new construction would be required to meet the existing fire flow standards
- Vice President Hernandez inquired if only 1 home was included in the City of Irwindale housing project or several homes
- Mr. Tam responded there was only 1 home included in the Hidalgo Street housing project; explained that the home was currently abandoned; stated that the land would be subdivided and the lot would accommodate 2 new units; stated this was a low-income housing project administered by the City of Irwindale Housing Authority; commented that the City of Irwindale proposed to only upgrade the necessary infrastructure to ensure adequate flow to the new housing development, which did not include upgrading the complete 500 feet of pipeline nor the individual service lines; reported that the position of the City of Irwindale was to have the District replace the remaining infrastructure when funding became available
- President Contreras stated that the District and the City of Irwindale worked on several projects in the past; requested a map of the entire street and not just the 1 home included in the project; added that the street would need to be re-paved in the near future; commented that he would like to negotiate a compromise for the City of Irwindale and the District to partner in replacing the infrastructure; added that when this project was complete, other utilities would also need to be involved; explained that other utilities would be cutting into the street within the right of way; stated that the District would need more time to consider the project in its entirety
- Mr. Tam stated that the street was not in bad condition; added that the City of Irwindale would work with the Operations & Maintenance Manager to coordinate schedules of the pipeline replacement and the street paving replacement; stated that Southern California Edison would be allowed to work overhead as opposed to in the street; added that the gas line had an existing service; explained that the sewer connection was also existing; responded that no exception was given to other utilities since there were existing connections; stated that wet

and dry utilities would not share the same trench; commented that the District would be getting over 70% of the water main replaced as a result of the housing project, which he anticipated would bring savings to the District in the future; commented that construction would begin within the next 4 to 6 months; explained that the City of Irwindale would only use the best and most qualified contractor to meet the specifications of the District; added that the construction of the new 8-inch water main would not affect the existing pipeline of the District; stated that when the District decided to upgrade the remaining pipeline extension, there would be cost savings for the District

- Operations & Maintenance Manager stated that if the District were to run an 8-inch main down to the fire hydrant location, the cost would include 350 feet of 8-inch water main for approximately \$43,750 and installation of a 6-inch fire hydrant for approximately \$9,000, totaling \$52,750; recommended that the District would not want to proceed with a double water main
- Vice President Hernandez commented that a project like this deviated from the 5 year capital improvement plan adopted by the District; added that the District, in the past, has made the developers, whether they be private or public developers, responsible for any infrastructure upgrades; stated that there were other identified areas within the District service area that required attention and repair, including those that would improve fire flow to more than 1 or 2 homes; commented that 20% of the pipeline replacement capital budget would be spent on this project if approved by the members of the Board of Directors, which he was not comfortable with; explained that he would be open to a partnership with the City of Irwindale, but not one that would utilize 20% of the pipeline replacement budget; stated that there have been other developers who requested the same consideration as the City of Irwindale, and the District maintained the position that any infrastructure upgrades would be the responsibility of the developer
- Capital Improvements & Rates Committee consented to have the General Manager, the Operations & Maintenance Manager, and the representatives of the City of Irwindale to discuss possible alternatives for consideration by the committee and potential recommendation to the Board of Directors

1. Review Draft Conceptual Schematic Design Plans for the Exterior Improvements to the Administrative Office

- General Manager introduced Ms. Kari Helman of Helman Architects, Inc, who was contracted to complete the schematic design and construction plans for the exterior upgrades to the Administrative Office; added that Ms. Helman would review the progress on the schematic design plans with the committee and provide information on the next steps for the overall project
- Ms. Helman stated that she and the General Manager met several times to discuss the existing site plans and to review the draft schematic design plans; explained that the draft schematic design plans would provide an idea of what was existing and the changes that were possible; stated that the main objective was to improve the exterior look of the building, but in doing so the City of Baldwin Park would have rules and regulations the District would be required to meet; explained specifics regarding parking stall issues, circulation, and handicap accessibility; stated that Helman Architects, Inc spoke with the City of Baldwin Park Planning Department; highlighted that one of the next steps included completing the design review process; reported that the City of Baldwin Park would require a 10 foot by 20 foot parking stall as compared to the existing 9 foot by 18 foot stall; explained that handicapped restriping would be required in order to accommodate accessibility in locations where the entrance to the District would be placed; stated that another requirement included a 2% maximum slope on the parking stalls in both directions for compliance with the Americans with Disabilities Act (ADA); stated that the current entrance to the District would be eliminated and moved to the opposite side of the customer lobby in order to accommodate the need for creating only 1 ramped walkway to the District entrance; explained that the existing customer entrance door would become a wall to allow space for the District to post information items; focused on the large outriggers that were deteriorating and weather-beaten; added that the mission tile on the roof was still in good condition; recommended a design that would cover the outriggers so they would not be exposed; explained that the plan would be to cover and protect them so they remained in place for additional years; explained the specifics of the rendition that included stucco, variations in color, and limited stacked stone below the windows
- Vice President Hernandez inquired about the ADA expansion of the parking lot; asked if river rock instead of stacked stone was a possibility since it was organic to the local area; commented that the design was very pleasing and would make it easier for the District customers to access whether they had disabilities or not
- Ms. Helman explained that anytime there was exterior work completed on existing structures, ADA expansion would be required as a percentage of the total cost of the project; added that in her opinion, a structural

engineer would be required for further recommendations and assessments related to the outrigger supports; stated that river rock may not blend well with this style of this building; commented that the building would have a more modern look, which blended well with stacked stone; stated that no new landscaping would be presented to the City of Baldwin Park; added that signage would also need to be addressed as the project progressed

- President Contreras inquired about the next steps in the design process; stated that he liked the presented design
- Ms. Helman stated that she and the District would need to meet with the City of Baldwin Park Design Review Board to present the schematics

3. Review DRAFT 2015/2016 Capital Improvement and General Operating Budgets

- General Manager stated that the Operations & Maintenance Manager, the Finance & Customer Service Manager, and she prepared the draft 2015/2016 Capital Improvement Budget and 4-year forecast based on the 5-year strategic plan; reviewed specific items, including projects completed, projects in-progress, and projects left incomplete; stated that one project that was left incomplete included the Supervisory Control and Data Acquisition (SCADA) system for the District pump facilities; added that there had been some turn over with Tesco Controls, Inc, which delayed the process in obtaining a complete cost proposal
- Operations & Maintenance Manager stated that the original proposal was sent back to the vendor since there were some items that were not included; added that once the correct proposal was received, it would be included on the agenda for consideration by the Board of Directors
- General Manager stated that the 6-million gallon reservoir storage project would be gearing up for the design and bid process for the new booster pump station; added that the amount for this was projected at \$268,162; added that the Operations & Maintenance Manager requested the installation of a generator at the Clinton O. Nixon East Well in the 2015/2016 year, which had a projected cost of \$200,000
- Operations & Maintenance Manager explained that generators were installed on 3 of the 4 active District production wells; explained that the generator at the Maine Street Pump Facility operated both productions wells and the booster pump station during an electrical outage; explained that another generator operated the Clinton O. Nixon West Well and booster pump station; added that the Clinton O. Nixon East Well did not have a back-up power supply; commented that he and the Treatment & Production Supervisor preferred to add a generator to the Clinton O. Nixon East Well
- President Contreras inquired about how often the District utilized the generators; asked if the General Manager or the Operations & Maintenance Manager had worked with Southern California Edison to obtain an exemption from the rotating power outages
- Operations & Maintenance Manager responded that the generators were only used when there were power outages; reported that the generators allowed the District to continue to operate its facilities without having to open the Metropolitan Water District (MWD) connection; stated that the District applied for the variance to be excluded from the rotating power outages
- General Manager added that the District was not exempt from the rotating power outages, however the District was listed as an agency that would be first to have power restored in the event of an emergency; stated that the next item was water main replacements, including the 2014/2015 fiscal year Clydeswood Avenue and Irwindale Avenue projects; explained that funds were allocated in the 2014/2015 fiscal year in the amount of \$500,000, however the total contract for the projects was only \$252,252.50; stated that in the 2015/2016 fiscal year, the District would resume with Phase 4 of the Puente Area pipeline replacements, for which \$500,000 was allocated; stated that in September 2015, the Operations & Maintenance Manager would work with Civiltec Engineering to obtain a proposal for pipeline design services; reported that for vehicles and equipment, there were 3 trucks planned for replacement
- Operations & Maintenance Manager stated that there were 5 notices requesting prices for utility vehicles sent to the local dealerships; explained that the only dealership who responded was Sierra Chevrolet; added that larger water agencies, such as Cucamonga Valley Water District, were experiencing the same issue; stated that as the utility trucks aged, the maintenance expenses for the vehicles would increase; stated that the small dump truck was ideal for the distribution maintenance crews due to the narrow streets within the service area; added that the visibility in the small dump truck made it easy for the employees to drive; explained that the current small dump truck model had been discontinued; stated that the recommendation was to refurbish the small dump truck, which was included in the proposed capital improvement budget; added that 3 utility trucks would be purchased; commented that the District may have to partner with other small agencies in order to obtain proposals

- Vice President Hernandez inquired about the proposed traffic control message board
- Operations & Maintenance Manager responded the District was in need of a new arrow board to display traffic control messages; explained that the current arrow board did not display text, only arrow signals; stated that the proposed traffic board would be able to display traffic control messages in text; added that drought messages could also be displayed on the board
- General Manager stated that the committee met with Ms. Helman to discuss the progress on the exterior improvements to the Administrative Office; explained that the 2014/2015 capital improvement budget allocation of \$18,800 would be spent within the current fiscal year; added that the next step would be for Helman Architects, Inc to complete the construction plans and specifications for completion of the work by a general contractor; commented that the improvements looked to cost approximately \$100,000
- President Contreras inquired about the Administrative Office remaining at the current location; commented that if the overall plan was to relocate the Administrative Office to the planned new Operations Headquarters, the money allocated for the exterior improvements should not be spent
- General Manager responded that the position of the Board of Directors was to remain at the current location; stated that she assumed and planned for the Administrative Office to remain at the current location; explained that a decision would need to be made as to whether or not relocation was a possibility as this decision would have an effect on the future planning efforts of the District; explained that she and the Operations & Maintenance Manager had visited other facilities where both operations and administrative offices were combined; commented that this type of set-up seemed to work well; reported that there was a line item planned for the 2018/2019 fiscal year related to space planning and interior improvements of the Administrative Office provided the building was not relocated; added that the focus would be on funding, designing, and constructing the Operations Headquarters in the coming years
- Operations & Maintenance Manager stated that the fencing for the planned Operations Headquarters would be costly to secure the location; commented that he planned on installing a water main through the property; added that the water utilities would be installed with District personnel
- General Manager stated that the next steps for the Operations Headquarters would be to finalize the conceptual plans; explained the rough draft plans would provide a starting point for the District to install security fencing, utilities, and access paving improvements, which would be carried over to the 2015/2016 fiscal year
- Vice President Hernandez inquired about the emergency generator, specifically spreading the cost over a couple of years as opposed to incurring the entire cost in 1 year; recommended adding additional funding to Phase 4 of the Puente Area pipeline replacements to make up for the smaller jobs completed in the 2014/2015 fiscal year
- Operations & Maintenance Manager responded that the cost of the generator could not be spread over multiple years; commented that 75% of the projected cost was the actual purchase of the generator equipment
- General Manager responded to Vice President Hernandez regarding the Phase 4 Puente Area pipeline allocation for the 2014/2015 fiscal year stating that the full \$500,000 was not spent; added that the District could allocate an additional amount in the 2015/2016 fiscal year
- Vice President Hernandez recommended that the District carry the \$500,000 and add \$250,000 for Phase 4 of the Puente Area pipeline replacements in 2015/2016; explained that this would bring the pipeline replacements total to \$750,000 for the 2015/2016 fiscal year; suggested eliminating the emergency generator and reallocating the SCADA system to the 2015/16 fiscal year; stated that the traffic control message board made sense with messaging efforts currently undertaken by the District; commented everything else included within the budget appeared to be consistent and on schedule
- President Contreras agreed with Vice President Hernandez
- Operations & Maintenance Manager stated he would like the emergency generator item reconsidered; added that he would include the generator in the capital improvement budget for the 2016/2017 fiscal year
- President Contreras commented that in order for the generator to be considered, the Operations & Maintenance Manager would need to prepare additional information identifying the need for the item; stated that he respected everyone's opinion and would like the discussion to continue
- Operations & Maintenance Manager stated that he would meet with the Treatment & Production Supervisor to obtain additional information related to the need for the generator
- General Manager summarized the proposed 2015/2016 Capital Improvement Budget; added that nearly \$1.3 million would be available for capital improvement funding within the 2015/2016 fiscal year; stated that water sales had not been significantly impacted due to the fixed rates and fees collected by the District; stated that the commodity rates within the water rate structure were extremely low; explained that the consumption reductions

realized in response to the conservation efforts were negatively impacting the revenue stream, but not significantly; stated that the District was doing well with respect to salaries, benefits, and energy; added that the slight decrease in these expense categories was directly related to the reorganization of the Finance employment structure; explained that if a cost of living adjustment was approved at the next meeting of the Board of Directors, variances for salaries and benefits expenses would need to be included; explained that the energy budget increased by 4%, which correlated to the drought conditions; reported that Southern California Edison was projecting a 5% decrease for agriculture and water rates; added that the general operating budget would be most impacted in the system maintenance category; explained that compared to the \$3.3 million in expense projected for 2014/2015, the 2015/2016 system maintenance expense was projected at \$2.3 million, which directly related to the drought and water replacement assessments from Watermaster; stated that once the 2015/2016 Capital Improvement and General Operating budgets were considered by the Board of Directors, the District would submit a pre-purchase request for cycle-storage water from Watermaster in an amount of approximately 1,700 acre feet; added that in 2014/2015, the District purchased 3,600 acre feet; reported that the District was able to carry over about 1,000 acre feet of that purchase for use in the 2015/2016 fiscal year; stated that for service and supply expenses, there was an anticipated increase of 36%; added that is directly related to the community outreach efforts of the District, the BPOU Project Agreement negotiations, and the anticipated election; stated that the election expense in the draft would be removed since the District would not be participating in the election in November 2015 since both available seats were unopposed

- President Contreras commented that the overall expenses proposed for the 2015/2016 fiscal year were less when compared to the 2014/2015 fiscal year, which was great to see
- Vice President Hernandez commented that the District had some looming items that would need to be addressed in the near future with respect to the revenue stream and capital improvement projects
- Capital Improvements & Rates Committee consented to recommend for approval to the Board of Directors the 2015/2016 Capital Improvement Budget with the aforementioned and discussed changes

4. *Other Business*

- Capital Improvements & Rates Committee consented that there was no Other Business to discuss

D. **ADJOURNMENT**

The meeting of the Capital Improvements & Rates Committee held Tuesday, August 18, 2015 was adjourned at 7:46 pm by Vice President Hernandez.

SIGNED:



President of the Board of Directors

ATTEST:



Secretary of the Board of Directors

(OFFICIAL VCWD SEAL)