

MINUTES
BOARD OF WATER COMMISSIONERS
OF THE CITY OF SAN BERNARDINO

REGULAR MEETING
April 19, 2016
Water Reclamation Plant Conference Room
399 Chandler Place
San Bernardino, California
9:30 a.m.

The Regular Meeting of the Board of Water Commissioners of the City of San Bernardino was called to order by President Callicott at 9:30 a.m. on April 5, 2016 in the Water Reclamation Conference Room, 399 Chandler Place, San Bernardino, California.

ROLL CALL: Roll call was taken by the Secretary with the following being present: President Callicott; Commissioners Valles, Fernández, Hendrix, and Mlynarski; staff Aldstadt, Ohama, Claus, Guerrero, Shepardson, and Willoughby; Steven Graham, City Attorney's Office; Patrick Sanchez, Sr. Business Systems Analyst; Amy Smith, Executive Secretary.

Members of the Public: Jose Martinez, East Valley Water District
 James Morales, East Valley Water District – 9:35 a.m.

1. CLOSED SESSION: President Callicott adjourned the Regular Meeting of the Board of Water Commissioners to a Closed Session. At 10:04 a.m., the Regular Meeting of the Board of Water Commissioners was recessed and a Closed Session was called to order in accordance with the following Government Code Sections:

A. Conference with legal counsel – existing litigation – pursuant to paragraph (1) of subdivision (d) of Government Code Section 54956.9: *In Re City of San Bernardino, California*, United States Bankruptcy Court, Central District of California (Riverside), Case No. 6: 12-bk-28006-MJ. *City of San Bernardino v. San Bernardino Valley Municipal Water District, et al.*, San Bernardino County Superior Court Case No. CIVDS1605532. No action was taken at this time.

ROLL CALL: Roll call was taken with the following present: President Callicott; Commissioners Valles, Fernández, Hendrix, and Mlynarski; staff Aldstadt, Ohama, Claus, Guerrero, Shepardson, and Willoughby; Steven Graham, City Attorney's Office; Amy Smith, Executive Secretary.

ADJOURN CLOSED SESSION: At 10:54 a.m., the Closed Session of the Board of Water Commissioners adjourned to the Regular Meeting of the Board of Water Commissioners in the Water Department Board Room.

ROLL CALL: Roll call was taken by the Secretary with the following being present: President Callicott; Commissioners Valles, Fernández, Hendrix, and Mlynarski; staff Aldstadt, Ohama, Claus, Guerrero, Shepardson, and Willoughby; Steven Graham, City Attorney's Office; Amy Smith, Executive Secretary.

Construction Co., Inc. (GM Sager) as Primary Contractor, and Hardy & Harper Inc. (Hardy & Harper) as Secondary Contractor, for Annual Pavement Repair and Resurfacing Services. This contract had a provision for one (1) additional one (1) year extension.

Extension No. 1 was prepared which will extend the contract from June 1, 2016 to May 31, 2017 under the same terms and conditions. This would be the final extension for Contract No. 1628.

Upon motion by Commissioner Hendrix, duly seconded by Commissioner Valles, it was unanimously voted to approve Extension No. 1 to Contract No. 1628 with G.M. Sager Construction Co., Inc. and with Hardy & Harper, Inc., extending the contract from June 1, 2016 to May 31, 2017 under the same terms and conditions. The President and Secretary were authorized to execute the extensions.

6. MEMORANDUM OF UNDERSTANDING REGARDING LAND DESIGNATION OF 1350 SOUTH "E" STREET AND STERLING PROPERTIES: At the February 16, 2016 joint regular meeting of the Mayor and Common Council (MCC) of the City of San Bernardino, the MCC acting as the Successor Agency to the Redevelopment Agency of San Bernardino (Successor Agency) adopted a resolution to authorize the transfer of certain real property assets from the Successor Agency to the City of San Bernardino (City). Included in this transfer was the property located in the City at 1350 South "E" Street ("E" Street Property).

At the March 21, 2016 joint regular meeting of the MCC, the MCC adopted a resolution to designate the "E" Street Property for Department use, remove the property located east of North Sterling Avenue and north of Foothill Drive for Department use, and authorize the City Manager to execute a Memorandum of Understanding (MOU) between the MCC and the Board of Water Commissioners regarding the land designations.

Upon motion by Commissioner Hendrix, duly seconded by Commissioner Valles, it was unanimously voted to approve the "E" Street Property and Sterling Property land designations. The President and Secretary were authorized to execute the Memorandum of Understanding.

7. WATER SUPPLY ASSESSMENT – WATERMAN AND BASELINE NEIGHBORHOOD TRANSFORMATION PLAN: Senate Bills 610 and 221 amended state law, effective January 1, 2002, to improve the linkage between certain land use decisions made by cities and counties, and the correlative water supply availability. Both statutes required detailed information regarding water supply availability and reliability, with respect to certain development projects, to be included in the administrative record to serve as evidentiary basis for an approval action by the city or county for such projects. SB 610 and 221 have been codified in Water Code §109 et. seq.

Water supply reliability was assessed through Water Supply Assessments (WSA) which must be furnished to local governments for inclusion in any environmental documentation for certain types of projects and subject to the California Environmental Quality Act (CEQA). The primary source document for a WSA was typically a water supplier's adopted Urban Water Management Plan (UWMP).

10. MARCH 2016 DROUGHT MONITORING REPORT: This report continued to monitor and track the effects of the ongoing drought by monitoring groundwater levels in select wells located in the Department's service area. The Board implemented Stage IIA extreme mandatory restrictions as a result of the State Water Resources Control Board (SWRCB) emergency regulations. **(INFORMATION ONLY)**

11. REPORTS:

- A. Report of the President: None
- B. Report of the Commissioners: None
- C. Report of the Directors:

Director Willoughby informed the Board that an overview of the Fiscal Year 2016/17 Operating and Capital Improvement Projects Budget will be presented at an upcoming Board of Water Commissioners meeting.

Director Claus informed the Board that our draft Environmental Impact Report on the Clean Water Factory is posted in the Water Reclamation Plant lobby.

- D. Report of the General Manager: None

12. PUBLIC COMMENTS: This is the time specified for public comments concerning specific items not on the agenda or matters of general interest. There being none, the matter was closed.

13. ADJOURN MEETING: The meeting adjourned at 10:55 a.m. to the next Regular Meeting to be held on Tuesday, May 3, 2016, at 9:30 a.m. in Margaret H. Chandler Water Reclamation Plant Conference Room, 399 Chandler Place, San Bernardino, California, 92408.

BY:



TONI CALLICOTT
President

BY:



ROBIN L. OHAMA
Deputy City Clerk & Ex-Officio Secretary

2. ANNOUNCEMENTS BY MEMBERS OF THE BOARD OF WATER

COMMISSIONERS: None

3. CONSENT CALENDAR: Upon motion by Commissioner Valles, duly seconded by Commissioner Fernández, it was voted to approve the following Consent Calendar, Agenda Items 3A through 3G:

A. WAIVE FULL READING OF RESOLUTIONS: Waive full reading of the resolutions on the regular or supplemental agendas of the Board of Water Commissioners.

B. PAYROLL

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Claims: 269163-269639			
Accounts Payable	\$646,422.45	\$837,075.18	\$1,483,497.63
Gross Payroll: 03/07/16-03/20/16	<u>248,317.53</u>	<u>182,841.77</u>	<u>431,159.30</u>
TOTALS	<u>\$894,739.98</u>	<u>\$1,019,916.95</u>	<u>\$1,914,656.93</u>

Payroll for the pay period March 21, 2016 through April 17, 2016.

C. CONTRACTS AND BILLS: Contracts and bills presented at this meeting.

D. MINUTES: April 5, 2016

E. PERSONNEL ACTION - APPOINTMENT: John Ericson, Water Utility Worker I, Section 3024, Range 132, effective April 18, 2016. This position was in the budget and based on the needs and staffing for this section, the position was justifiable under the budget.

F. NOTICE OF COMPLETION – CONTRACT NO. 1633 – PERIMETER ROAD PUMP STATION UPGRADES PROJECT (CO 10701): The final acceptance date of February 17, 2016. The Board directed staff to file a Notice of Completion, and release the retention in accordance with Contract No. 1633.

G. NOTICE OF COMPLETION – CONTRACT NO. 1637 – CHANDLER PLACE AND “E” STREET TRAFFIC SIGNAL AND STREET IMPROVEMENTS PROJECT (EPN 2013-008): The final acceptance date of February 29, 2016. The Board directed staff to file a Notice of Completion, and release the retention in accordance with Contract No. 1637.

END OF CONSENT CALENDAR

4. ADDITIONS TO THE AGENDA: None.

5. EXTENSION NO. 1 TO CONTRACT NO. 1628 – ANNUAL CONTRACT FOR PAVEMENT REPAIR AND RESURFACING SERVICES – GM SAGER CONSTRUCTION CO., INC. AND HARDY & HARPER, INC.: The Board of Water Commissioners entered into a one-year contract, Contract No. 1628, with G.M. Sager

On February 10, 2016, the Water Department received a letter from the City's Community Development Department requesting the preparation of a WSA for the Waterman and Baseline Neighborhood Transformation Plan (Project). The project applicant, National Community Renaissance (National Core), previously submitted the proposed development to the City.

Commissioner Mlynarski recused himself from this item due to a possible conflict of interest.

Upon motion by Commissioner Valles, duly seconded by Commissioner Fernández, it was unanimously voted to approve the resolution adopting the WSA for the Waterman and Baseline Neighborhood Transformation Plan.

8. APPROVAL OF WAIVER OF CONFLICT PERTAINING TO WATER AND SEWER FINANCING: On April 5, 2016, the Board of Water Commissioners approved an agreement with Orrick, Herrington & Sutcliffe LLP (Orrick) to serve as bond counsel in the proposed 2016 Water and Sewer Financing. It was brought to staff's attention that Orrick also served as legal counsel for the Department's chosen underwriting firm, Raymond James, which created a conflict.

It was determined that none of the work performed on behalf of the Department would be performed by the attorneys who represent Raymond James, and none of the attorneys representing Raymond James would perform work for the Department in conjunction with the financing.

Upon motion by Commissioner Valles, duly seconded by Commissioner Fernández, with Commissioner Mlynarski opposing the motion, it was voted to approve the Waiver of Conflict Pertaining to Water And Sewer Financing. The General Manager was authorized to sign on behalf of the Department.

9. WATER RATE ADJUSTMENT: On January 5, 2010, the Board of Water Commissioners approved a three-step water rate increase, the last of which was effective January 1, 2012. As part of staff's FY 2013/14 budget presentation, staff expressed the need to establish updated water revenue requirements.

In June 2013, the Department retained SAIC Energy, Environment & Infrastructure, LLC, now known as Leidos, to, among other tasks, update revenue requirements for the water fund. In 2014, the Board approved an additional contract with FG Solutions, to complete an update to the rate study. In 2015, staff directed Leidos to rework the rate structure so that the Minimum Monthly Charge more fully covers the Water Utility's fixed costs. Adjustments were also made to the conservation charge based on expected increases in the cost of water production.

A substitute motion to set a workshop to discuss a water rate adjustment on May 17, 2016 at the next Board of Water Commissioners Regular Meeting was put forth to the Board.

Upon motion by Commissioner Mlynarski, duly seconded by Commissioner Fernández, it was unanimously voted to approve a workshop to discuss a water rate adjustment for Tuesday, May 17, 2016, at the next Board of Water Commissioners Regular Meeting.