

MINUTES
BOARD OF WATER COMMISSIONERS
OF THE CITY OF SAN BERNARDINO

REGULAR MEETING
June 21, 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 Vice President Valles at 9:31 a.m. on June 7, 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: Vice President Valles; Commissioners 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

President Callicott arrived at 10:09 a.m.

1. CLOSED SESSION: President Callicott adjourned the Regular Meeting of the Board of Water Commissioners to a Closed Session. At 10:46 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 11:39 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.

2. ANNOUNCEMENTS BY MEMBERS OF THE BOARD OF WATER

COMMISSIONERS: None

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

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: 270524-270874			
Accounts Payable	\$746,833.74	\$984,985.60	\$1,731,819.34
Gross Payroll: 05/16/16-05/23/16	<u>248,283.48</u>	<u>179,067.25</u>	<u>427,350.73</u>
TOTALS	<u>\$995,117.22</u>	<u>\$1,164,052.85</u>	<u>\$2,159,170.07</u>

Payroll for the pay period May 30, 2016 through June 12, 2016.

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

D. MINUTES: May 17, 2016 and June 7, 2016.

E. PERSONNEL ACTION - PROMOTION: Mark Dillon, Water Reclamation Senior Operator, Range 157, to Water Reclamation Lead Operator, Range 159, ratified June 13, 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. RESOLUTION NO. 885: A RESOLUTION APPROVING THE SIXTH AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SAN BERNARDINO BOARD OF WATER COMMISSIONERS AND THE SAN BERNARDINO WATER DEPARTMENT EMPLOYEES' ASSOCIATION DATED JULY 1, 2011, AMENDING ARTICLE III – SALARIES, 3.1 – SALARY SCHEDULE.

G. RESOLUTION NO. 886: A RESOLUTION APPROVING THE EIGHTH AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SAN BERNARDINO BOARD OF WATER COMMISSIONERS AND THE SAN BERNARDINO ASSOCIATION OF WATER DEPARTMENT MID-MANAGERS DATED APRIL 1, 2010, AMENDING ARTICLE III – SALARIES, 3.1 - SALARY SCHEDULE.

H. RESOLUTION NO. 887: A RESOLUTION APPROVING THE SIXTH AMENDMENT TO RESOLUTION NO. 779 WITH THE WATER DEPARTMENT MANAGEMENT AND CONFIDENTIAL EMPLOYEES DATED JULY 1, 2011, AMENDING SECTION 2 – SALARY SCHEDULES, AND ADDING EXHIBIT 1-F.

- I. RESOLUTION NO. 888: A RESOLUTION APPROVING THE EIGHTH AMENDMENT TO RESOLUTION NO. 658 FOR THE WATER DEPARTMENT REGULAR PART-TIME EMPLOYEES COMPENSATION AND BENEFITS PLAN DATED APRIL 1, 2005, AMENDING SECTION 2 – SALARIES, A – SALARY SCHEDULES AND B – GENERAL PROVISIONS AND ADDING EXHIBIT 11 – HOURLY SALARY SCHEDULE AND AMENDING SECTION 3 – LEAVE, A – SICK LEAVE.
- J. RESOLUTION NO. 889: A RESOLUTION APPROVING SIDE LETTER DATED JUNE 8, 2016 TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SAN BERNARDINO BOARD OF WATER COMMISSIONERS AND THE SAN BERNARDINO WATER DEPARTMENT EMPLOYEES' ASSOCIATION DATED JULY 1, 2011, AUTHORIZING EXTENSION OF TERMS AND CONDITIONS.

END OF CONSENT CALENDAR

4. ADDITIONS TO THE AGENDA: None.
5. REVISED SALARY SCHEDULE EXHIBIT FOR WEBSITE: On June 7, 2016, the Board of Water Commissioners (Board) approved the current the San Bernardino Municipal Water Department (SBMWD) Salary Schedule Exhibit with an effective date of May 17, 2016. On May 17, 2016 the Board approved range changes for Water Reclamation Operations Manager from Range 268 to Range 274 and Water Reclamation Operations Superintendent from Range 270 to Range 276, pending approval by the Association of Mid-Managers. Approval was obtained from the Association of Mid-Managers and on June 7, 2016, the Board approved the revised Mid-Manager Salary Schedule.

Upon motion by Commissioner Mlynarski, duly seconded by Commissioner Hendrix, it was unanimously voted to approve the revised San Bernardino Municipal Water Department (SBMWD) Salary Schedule dated May 17, 2016.

6. REVISED BENEFIT COORDINATORS CORPORATION (BCC) BUSINESS ASSOCIATE AGREEMENT: The Water Department was required to sign benefit agreements/policies with carriers and third party administrators that were previously signed by City management following the Department's separation from City benefits.

Benefit Coordinators Corporation (BCC) notified Human Resources that during an audit of their documents for compliance, it was discovered that the Business Associate Agreement on file is not compliant with the Health Insurance Portability and Accountability Act (HIPAA) requirements.

Upon motion by Commissioner Mlynarski, duly seconded by Commissioner Hendrix, it was unanimously voted to approve the revised Business Associate Agreement between the San Bernardino Municipal Water Department and Benefit Coordinators Corporation, effective June 1, 2016.

7. REQUEST TO PURCHASE A REPLACEMENT VEHICLE: The Safety Division was assigned a vehicle for use of the Safety Supervisor as a First Responder in the event of any accident or natural disaster. The current vehicle in use was unit 59 which was a 2002 Ford F-150 4x4 Super Crew Cab truck with approximately 130,000 miles on the odometer.

The unit 59 truck recently needed constant and fairly significant repairs, and while still usable as a pool vehicle, was not reliable enough for daily use by the Safety Supervisor. Staff evaluated replacement options available from three (3) local Ford dealers, through an informal Request for Information (RFI) process and determined that Fairview Ford provided the best overall value for the Department's needs.

Upon motion by Commissioner Hendrix, duly seconded by Commissioner Fernández, it was unanimously voted to approve the capital budget transfer in the amount of \$32,000.00 from Fleet's Repairs and Maintenance Account (Account No. 100-2045-560-6540) to Autos & Trucks Capital Account (Account No. 100-2045-580-8020) The purchase of a Ford F-150 4x4 Super Crew Cab Truck for Emergency Response/Safety Vehicle replacement in the amount of \$31,286.51 was authorized.

8. APPROVAL OF SPECIAL PURCHASE/REFURBISHMENT OF ONE OF THE TWO HARMONY VARIABLE FREQUENCY DRIVE UNITS – WATER RECLAMATION PLANT BLOWER VFD UPGRADES PROJECT – SIEMENS INDUSTRY, INC.: The Department's Water Reclamation Plant (WRP) operated three activated sludge systems to achieve secondary level of treatment. The two aeration systems known as Unit No. 1 and Unit No. 2 utilized blowers to impart air into the activated sludge systems for agitation and microorganism respiration. The electric blowers utilized 750 HP Harmony variable frequency drives (VFD) equipped with capacitor cells to control the air supply.

Due to the blowers' age and extensive use, their VFD's capacitor cell banks deteriorated and were in need of replacement. This project consisted of procuring replacement parts and labor to refurbish one (1) cell capacitor and upgrade one (1) VFD for the aeration system. The refurbishment would take the blower out of operation. As such, only one blower would be refurbished at this time (the second blower would be refurbished in the next fiscal year).

A quote was solicited from the only company that manufactures the components needed for the VFD upgrade. The quote was received from Siemens Industry, Inc., in the amount of \$30,550.00.

Staff requested the Board of Water Commissioners approve this purchase as permitted in Policy and Procedure No. 51.030 *Purchasing, Part I, Initiation of Purchase Requisition*, Subsection H, *Special Purchases* prior to staff proceeding with the Blower VFD Upgrades. This would allow for the continued reliable operation of this critical component of the activated sludge system.

The funding source for this purchase was the FY 2015/2016 Sewer Fund Capital Improvement Project titled *Blower VFD Upgrades* (C.O. 00186), which currently had a total of \$49,668.87 in unencumbered funds.

Upon motion by Commissioner Hendrix, duly seconded by Commissioner Fernández, it was unanimously voted to approve the special purchase of the replacement parts and labor to refurbish one (1) cell capacitor and upgrade one (1) variable frequency drive. Staff was authorized to issue a purchase order to Siemens Industry, Inc., in the amount of THIRTY THOUSAND FIVE HUNDRED FIFTY AND 00/100 DOLLARS (\$30,550.00).

9. ANNUAL RENEWAL OF CLIENT SERVICES AGREEMENT; MARSH RISK & INSURANCE SERVICES – MAY 2016 TO MAY 2017: On May 11, 2015, the Board of Water Commissioners approved the ninth annual renewal of the Client Service Agreement with Marsh Risk & Insurance Services (Marsh) to market and manage the Water Department's liability and property insurance programs.

Marsh continued to deliver excellent customer service to Department staff by providing guidance on premium budget forecasting, contract coverage review and claims support. Marsh offered this agreement renewal for the annual fee of \$113,300.00. Funds were budgeted for 2016/17 to cover the cost of the proposed service agreement renewal.

Upon motion by Commissioner Fernández, duly seconded by Commissioner Hendrix, it was unanimously voted to ratify the tenth annual renewal of the Client Services Agreement with Marsh Risk & Insurance Services for the period of May 16, 2016, to May 16, 2017 at an annual fee of One Hundred Thirteen Thousand and Three Hundred Dollars (\$113,300.00). The General Manager was authorized to execute the agreement.

10. ACCEPTANCE OF WATER UTILITY EASEMENT TO SERVE A LANDLOCKED PARCEL FOR A PRIVATE CUSTOMER ON APN 0267-061-44 (EPN 2006-096): A property owner within the San Bernardino Municipal Water Department's (SBMWD) service area, Mr. Juifang Chen, requested water service for a property that was within a landlocked parcel. Under the current Rule and Regulation No. 13, the parcel, APN 0267-061-44, required direct and adjacent access to a SBMWD water main to receive water service. In order to provide the requested fire and domestic services, the customer proposed service through an adjacent parcel known as APN 0267-061-39, which was under the same ownership.

Mr. Chen has provided the Department with easement documents for execution. Engineering staff has reviewed these documents and found them to be acceptable for recordation.

Upon motion by Commissioner Mlynarski, duly seconded by Commissioner Fernández, it was unanimously voted to accept the Grant of Easement from Mr. Juifang Chen within the parcels known as APNs 0267-061-44 and 067-061-39 and as described in the easement documents. The Secretary was authorized to file and record within the County of San Bernardino.

11. APPROVAL OF THE PROFESSIONAL SERVICES AGREEMENT WITH STANTEC CONSULTING SERVICES, INC. FOR CONSENT DECREE IMPLEMENTATION SUPPORT FOR FISCAL YEAR 2016-2017: The San Bernardino Municipal Water Department (Department) utilized the services of Mark Eisen with Stantec Consulting Services, Inc. (Stantec) for Consent Decree-related support services. The Department desired to execute a new Professional Services Agreement with Stantec to provide services from July 1, 2016 through June 30, 2017.

The Department has sufficient funds budgeted in the Fiscal Year 2016/17 Operation Budget to cover these professional services (Account No. 100-3010-560-5525).

Upon motion by Commissioner Mlynarski, duly seconded by Commissioner Hendrix, it was unanimously voted to approve the professional services agreement with Stantec Consulting Services, Inc. in the amount of \$197,084.00 to provide ongoing Consent Decree support services, effective July 1, 2016 through June 30, 2017. The President and Secretary were authorized to execute the agreement.

12. MAY 2016 DROUGHT MONITORING REPORT: This report continues 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)**

13. WRITE-OFF UNCOLLECTIBLE ACCOUNTS RECEIVABLE: VARIOUS LOSS CONTROL INVOICES: Over the years, Finance staff had invoiced various customers for damages to San Bernardino Municipal Water Department property. Finance staff recently worked with Environmental & Regulatory Compliance staff to review invoices that remain unpaid through December 31, 2015 and that are determined uncollectible.

The invoice dates range from 2008 through 2014 and the total of the invoices recommended to be written off is \$140,275.17. Board of Water Commissioner approval was required for any write-off over \$1,000.00.

Upon motion by Commissioner Hendrix, duly seconded by Commissioner Fernández, it was unanimously voted to approve the write-off of the invoices totaling \$140,275.17.14.

14. WATER RATE ADJUSTMENT PRESENTATION: The concept of the change in water rate structure was presented to the Board of Water Commissioners (Board) earlier in the year and was discussed as part of the Board's strategic planning session. At the May 17, 2016 Board Meeting, staff and our rate consultant, Art Griffith of FG Solutions gave a detailed presentation on the process of developing the rates and components of the water rate study. The next step in the process was for the Board of Water Commissioners to set a date for a Public Hearing.

John Hillman, President of the North End Neighborhood Association, spoke about the morale of the area he represents. Mr. Hillman stated that trust is gone and the timing of the water rate increase may be lacking wisdom. Mr. Hillman stated he supported the Board but wanted each member to be careful on marketing the increase.

Upon motion by Commissioner Hendrix, duly seconded by Commissioner Fernández, with Commissioner Mlynarski opposing, it was voted 4-1 to approve the date of September 20, 2016 for a Public Hearing to be held in the Council Chambers at 10:00 a.m. to hear public comments relative to the proposed water rate increases. Staff was authorized to send official notices of the proposed rates and notices of Public Hearing to all property owners and begin the public outreach process.

15. OPERATING AND CAPITAL IMPROVEMENT BUDGET – FISCAL YEAR 2016-17: The proposed Fiscal Year 2016/17 Operating and Capital Improvement Budget of the San Bernardino Municipal Water Department was presented to the Board of Water Commissioners in a workshop setting.

Upon motion by Commissioner Valles, duly seconded by Commissioner Fernández, it was unanimously voted to adopt the City of San Bernardino Municipal Water Department Operating and Capital Improvement Budget for Fiscal Year 2016/17.

16. REPORTS:

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

17. PUBLIC COMMENTS: This is the time specified for public comments concerning specific items not on the agenda or matters of general interest. John Hillman, President of the North End Neighborhood Association, asked if an earthquake hit, how would water be dispersed? General Manager Aldstadt responded by letting Mr. Hillman know that although earthquakes are unpredictable, the Department has taken strategic measures, had numerous table top exercises, and drills in an effort to prepare for this type of natural disaster.

18. ADJOURN MEETING: The meeting adjourned at 11:40 a.m. to the next Regular Meeting to be held on Tuesday, July 5, 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