

MINUTES
BOARD OF WATER COMMISSIONERS
OF THE CITY OF SAN BERNARDINO

REGULAR MEETING
July 5, 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 July 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, Shepardson, and Willoughby; Steven Graham, City Attorney's Office; Josh Valdez, Sr. Network Analyst; Amy Smith, Executive Secretary.

Absent: Director Guerrero

Members of the Public: James Morales, East Valley Water District
Jose Martinez, East Valley Water District

1. CLOSED SESSION: President Callicott adjourned the Regular Meeting of the Board of Water Commissioners to a Closed Session. At 9:44 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.

D. Public Employment pursuant to Government Code Section 54957. One item – Performance Evaluation of the General Manager.

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, Shepardson, and Willoughby; Steven Graham, City Attorney's Office; Amy Smith, Executive Secretary.

Absent: Director Guerrero

ADJOURN CLOSED SESSION: At 10:44 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, Shepardson, and Willoughby; Steven Graham, City Attorney's Office; Amy Smith, Executive Secretary.

Members of the Public: James Morales, East Valley Water District

2. ANNOUNCEMENTS BY MEMBERS OF THE BOARD OF WATER

COMMISSIONERS: None

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

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: 271329-271868			
Accounts Payable	\$3,030,658.22	\$499,054.54	\$3,529,712.76
Gross Payroll 05/30/16-06/12/16	<u>246,338.74</u>	<u>181,329.14</u>	<u>427,667.88</u>
TOTALS	<u>\$3,276,996.96</u>	<u>\$680,383.68</u>	<u>\$3,957,380.64</u>

Payroll for the pay period June 13, 2016 through June 26, 2016.

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

D. MINUTES: June 21, 2016.

E. PERSONNEL ACTIONS

1. PROMOTION: Richard Flores, Water Utility Worker II, Range 138, to the position of Water Utility Worker III, Range 142, ratify effective June 27, 2016. This position was in the budget and based on the needs and staffing for this section, the position was justifiable under the budget.

2. PROMOTION: Tyler Smith, Water/Water Reclamation Worker, Range 124, to the position of Water Reclamation Plant Mechanic I, Range 146, effective July 11, 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. 890: A RESOLUTION OF THE BOARD OF WATER COMMISSIONERS OF THE CITY OF SAN BERNARDINO RECOGNIZING JOE CHAVEZ FOR TWENTY-EIGHT YEARS OF DEDICATED SERVICE TO THE CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT.
- G. RESOLUTION NO. 891: A RESOLUTION OF THE BOARD OF WATER COMMISSIONERS OF THE CITY OF SAN BERNARDINO RECOGNIZING STEVE SHIPLEY FOR TWENTY-SEVEN YEARS OF DEDICATED SERVICE TO THE CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT.
- H. RESOLUTION NO. 892: A RESOLUTION OF THE BOARD OF WATER COMMISSIONERS OF THE CITY OF SAN BERNARDINO RECOGNIZING SHAWN FOX FOR MORE THAN TWENTY YEARS OF DEDICATED SERVICE TO THE CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT.

END OF CONSENT CALENDAR

4. ADDITIONS TO THE AGENDA: None.
5. CONSIDERATION OF COMPENSATION FOR GENERAL MANAGER: The Board of Water Commissioners considered compensation for the General Manager of the San Bernardino Municipal Water Department and took such action as it so determined.

The motion was amended by President Callicott to approve compensation for the General Manager and add the approval of the revised Pay Policy per the consultant's recommendations.

Upon motion by Commissioner Valles, duly seconded by Commissioner Fernández, with Commissioner Mlynarski opposing, it was voted 4-1 to approve the revised Pay Policy per the consultant's recommendations, change the maximum amount of Range 325 to \$296,000 per annum; and approve the compensation for the General Manager to \$262,650.00 per annum, effective July 1, 2016. Resolution No. 893 was approved to reflect the range change based on the amended motion.

6. MEMORANDUM OF UNDERSTANDING FOR THE DEVELOPMENT OF A GROUNDWATER SUSTAINABILITY COUNCIL FRAMEWORK AGREEMENT: Drought impacts became severe across many areas of the state as water stored in reservoirs was depleted and water levels in groundwater basins declined. As a result, the California Legislature enacted the Sustainable Groundwater Management Act of 2014 (SGMA) in September 2014. In an effort to build on the foundation of existing laws and regulations, contracts and judicial decrees, and the recent enactment of SGMA, water suppliers entering into the Memorandum of Understanding for the Development of a Groundwater Sustainability Council Framework Agreement (MOU) would collaboratively develop a cooperative structure for groundwater management in the Upper Santa Ana River Groundwater Basin. The goal was to ensure that these groundwater basins are managed in a manner that would be sustainable over the long-term.

It was the intent of the participating members to complete the development of a framework agreement that would enable the implementation of SGMA and promote long-term sustainability by December 31, 2016, and fully implement the provisions of the framework agreement by December 31, 2018.

Upon motion by Commissioner Valles, duly seconded by Commissioner Hendrix, it was unanimously voted to approve the *Memorandum of Understanding (MOU) for the Development of a Groundwater Sustainability Council Framework Agreement* with Upper Santa Ana River Groundwater Basin stakeholders. The President and Secretary were authorized to execute the MOU.

7. ESTABLISH A DATE AND TIME FOR A PUBLIC HEARING ON THE 2016 PUBLIC HEALTH GOALS IN COMPLIANCE WITH SECTION 116470 OF THE HEALTH AND SAFETY CODE: California Health and Safety Code, Section 116470 (2)(B) mandated the preparation of a report that was intended to inform the public concerning any drinking water Public Health Goals (PHG) exceedances that occur, and specified that a public hearing be held for the purpose of “accepting and responding” to public comment.

Copies of our laboratory test results would be available to the public beginning July 1, 2016, at the Water Department’s Customer Service Office, located at 300 N. “D” St., 5th Floor of City Hall, Monday through Friday, during normal business hours. The report indicated what PHGs were exceeded, what health risks were associated with the exceedances, and what was the cost of the best treatment technology available.

Upon motion by Commissioner Hendrix, duly seconded by Commissioner Fernández, it was unanimously voted to establish the date of August 2, 2016, at 9:30 a.m. in the Water Department Board Room located at 399 Chandler Place, San Bernardino, California as the date, time, and location for a Public Hearing, to give concerned water consumers an opportunity to discuss PHG exceedances, possible health effects caused by these exceedances, and the cost of the best available technology required to meet specific PHG exceedances.

8. REQUEST TO EXTEND RIX ADMINISTRATION AGREEMENT: On September 29, 1997, the RIX Joint Powers Authority entered into a two-year Administration Agreement, determining that the responsibility of administration of the RIX facility should be delegated to the Department. Staff requested that an additional five-year extension for the period of September 30, 2016, through September 29, 2021, be approved.

Upon motion by Commissioner Hendrix, duly seconded by Commissioner Fernández, it was unanimously voted to approve the Administration Agreement for the Colton/San Bernardino Regional Tertiary Treatment and Water Reclamation Authority for the period September 30, 2016 through September 29, 2021. The President and Secretary were authorized to execute the agreement.

9. AUTHORIZATION TO SUBMIT A RESOLUTION TO JOIN THE CALIFORNIA MUNICIPAL FINANCING AUTHORITY TO THE MAYOR AND COMMON COUNCIL OF THE CITY OF SAN BERNARDINO: At the April 5, 2016 meeting of the Board of Water Commissioners (Board), the Board approved contracts with various team members to assist Finance staff in assessing the Department’s options for issuing water and wastewater bonds to fund various capital projects. The need to use a joint powers authority for the planned issuance of revenue bonds arose from the debt limit provisions of Article XVI, Section 18 of the California Constitution, which generally required a 2/3 vote of the electorate before a city, county, or school district may incur long-term debt (the “Constitutional Debt Limit”). One of the exceptions to the Constitutional Debt Limit relates to financings of an enterprise fund, such as the City’s Water Fund and Sewer Fund. In reliance on this exception, it became customary to structure city enterprise fund financings using a joint powers authority as a conduit issuer, with the authority issuing bonds solely

payable from installment payments made by the city from net revenues of the enterprise fund. Based on this analysis, it was determined that the California Municipal Financing Authority (CMFA) was the most efficient and cost-effective financing authority available at this time. Membership in CMFA would allow both the City and the Water Department to utilize the authority for various financing opportunities. In addition to the benefits to the City and the Water Department, membership in CMFA offered benefits to other organizations in the community. Once the City becomes a member, other for-profit and non-profit corporations within the City may utilize the CMFA's services as well.

Upon motion by Commissioner Hendrix, duly seconded by Commissioner Fernández, it was unanimously voted to approve the submission of the Resolution of the Common Council of the City of San Bernardino, California, approving, authorizing, and directing execution of a Joint Exercise of Powers Agreement relating to the California Municipal Finance Authority to the Mayor and Common Council of the City of San Bernardino.

10. 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

11. 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.

12. ADJOURN MEETING: The meeting adjourned at 10:46 a.m. to the next Regular Meeting to be held on Tuesday, July 19, 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