

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

Absent: President Callicott
Commissioner Mlynarski

ADJOURN CLOSED SESSION: At 10:04 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 with the following present: Vice-President Valles; Commissioners Fernández, and Hendrix; staff Aldstadt, Ohama, Claus, Shepardson, Guerrero, and Willoughby; Steven Graham, City Attorney's Office; Amy Smith, Executive Secretary.

Absent: President Callicott
Commissioner Mlynarski

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 3D:

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: 271869-272137			
Accounts Payable	\$1,696,901.45	\$439,728.74	\$2,136,630.19
Gross Payroll 06/13/16- 06/27/16	253,124.18	178,845.02	431,969.20
TOTALS	<u>\$1,950,025.63</u>	<u>\$618,573.76</u>	<u>\$2,568,599.39</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: July 5, 2016.

END OF CONSENT CALENDAR

4. ADDITIONS TO THE AGENDA: None.

5. REQUEST TO TRANSFER FUNDS FROM ANNUAL WELL REPAIR AND REHABILITATION PROJECT (CO 10788) TO KENWOOD WELL FIELD TRANSMISSION MAIN PROJECT (CO 10677): The Kenwood Well Field Transmission Main Project was budgeted at \$175,000.00 in the Fiscal Year 2016/17 Capital Improvement Budget. Competitive bids for the project were received on July 1, 2016 with the apparent low bid submitted in the amount of \$185,512.00. In order to fund project construction, staff requested approval to transfer \$30,000.00 from the Annual Well Repair and Rehabilitation Project (CO 10788) to the Kenwood Field Transmission Main Project (CO 10677). There were available funds for the proposed transfer.

Upon motion by Commissioner Fernández, duly seconded by Commissioner Hendrix, it was unanimously voted to approve the capital budget transfer in the amount of \$30,000.00 from the 2016/17 Capital Improvement Project titled *Annual Well Repair and Rehabilitation Project (CO 10788)* to the capital project titled *Kenwood Well Field Transmission Main Project (CO 10677)*.

6. REQUEST TO TRANSFER FUNDS FROM ANNUAL WELL REPAIR AND REHABILITATION PROJECT (CO 10788) TO BELLEVIEW AND VINE STREETS ALLEY MAIN REPLACEMENT PROJECT (CO 10636): The Belleview and Vine Streets Main Replacement Project was budgeted at \$1,000,000.00 in the Fiscal Year 2016/17 Capital Improvement Budget. Competitive bids for the project were received on June 30, 2016 with the apparent low bid submitted in the amount of \$1,103,231.00. In order to fund project construction, staff requested approval to transfer \$200,000.00 from the Annual Well Repair and Rehabilitation Project (CO 10788) to the Belleview and Vine Streets Alley Main Replacement Project (CO 10636). There were available funds for the proposed transfer.

Upon motion by Commissioner Hendrix, duly seconded by Commissioner Fernández, it was unanimously voted to approve the capital budget transfer in the amount of \$200,000.00 from the 2016/17 Capital Improvement Project titled *Annual Well Repair and Rehabilitation Project (CO 10788)* to the capital project titled *Belleview and Vine Streets Alley Main Replacement Project (CO 10636)*.

7. RULE AND REGULATION NO. 21, WATER SUPPLY SHORTAGE CONDITIONS – STAGE IIA AMENDMENT: In May 2015, the State Water Resources Control Board (SWRCB) adopted an emergency drought regulation that required twenty-five percent (25%) reduction in potable water use across the state. SWRCB's emergency regulation outlined percentage reduction tiers (conservation standards) in gross water production for each urban water supplier to achieve the 25% reduction. The Department's standard was currently set at fifteen percent (15%). The latest amendment of the emergency regulation allowed water suppliers to self-certify their own conservation standard based on supply and demand from previous years, and it also extended the emergency regulation through February 2017.

In May 2015, the Board of Water Commissioners (Board) adopted a resolution to amend Department Rule and Regulation No. 21 to include Stage IIA extreme mandatory restrictions, and at the same time, the Board implemented Stage IIA restrictions, which requires a twenty-eight percent (28%) reduction in potable water use by all Department customers.

The Department remained under Stage IIA, as the extreme drought condition continued and the SWRCB drought emergency regulation remained in effect. As stated in Rule and Regulation No. 21, the Department shall maintain the amended Stage IIA water supply

shortage condition until such time the General Manager determined that drought conditions improved to a point where Stage II or Stage I can be re-implemented.

Upon motion by Commissioner Fernández, duly seconded by Commissioner Hendrix, it was unanimously voted to approve amendment of City of San Bernardino Municipal Water Department Rule and Regulation No. 21, Water Supply Shortage Conditions – Stage IIA to become effective August 1, 2016.

8. APPROVAL OF EPA 006 WELL REHABILITATION BY WEBER WATER RESOURCES: Extraction well EPA 006 was operated as part of the Newmark Operable Unit (OU) Remedial Action under the terms negotiated with the United States Environmental Protection Agency (USEPA). The purpose of EPA 006 was to inhibit further migration of PCE and TCE in the aquifer. Proper and consistent operation of EPA 006 was critical in maintaining plume capture and therefore downtime should be minimized.

In April 2016, EPA 006 well equipment failed and was removed for diagnosis. The Department contracted Best Pump and Drilling, Inc. (Best) to pull EPA 006 well equipment, assess the equipment and well, and provide recommendations for rehabilitation of the well. The mechanical failure was due to a failed thrust bearing and worn pump impellers. Staff requested rehabilitation proposals from prequalified contractors to rehabilitate EPA 006. Weber Water Resources was responsive and provided the lowest quotation in the amount of \$42,986.62.

Staff recommended that this expenditure be approved from existing funds in the Fiscal Year 2016/17 Capital Budget under *Annual R/R – EPA Extraction Well (Newmark)* with available funding of approximately \$285,000.00. Rehabilitation of EPA 006 was one hundred percent (100%) reimbursable through the AIG commutation account.

Upon motion by Commissioner Hendrix, duly seconded by Commissioner Fernández, it was unanimously voted to approve the rehabilitation of EPA 006 by Weber Water Resources in the amount of \$42,986.62.

9. APPROVAL OF EPA 111 WELL REHABILITATION BY BEST PUMP AND DRILLING, INC.: Extraction well EPA 111 was operated as part of the Muscoy Operable Unit (OU) Remedial Action under the terms negotiated with the United States Environmental Protection Agency (USEPA). The purpose of EPA 111 was to inhibit further migration of PCE and TCE in the shallow aquifer. Proper and consistent operation of EPA 111 was critical in maintaining plume capture and therefore downtime should be minimized.

In March 2016, while in the process of evaluating rehabilitation measures to increase efficiency, the pump in EPA 111 failed. Inspection of the pump and well revealed that most of the screen louvers were partially to near totally blocked as a result of chemical and biological conditions that caused buildup of scaling and bio fouling along the well screening. In April 2016, the Department contracted Best Pump and Drilling, Inc. (Best) to pull EPA 111 well equipment, assess the equipment and bio fouling issue, and provide recommendations for rehabilitation of the well. As part of this effort, Best subcontracted with Water Systems Engineering, Inc. (WSE) for assessment and recommendations on the scaling and bio fouling issue. Combined chemical and mechanical cleaning of EPA 111 was recommended. Staff requested rehabilitation proposals from prequalified contractors to execute WSE's recommendations for EPA 111. Best was responsive and provided the lowest quotation in the amount of \$119,170.00.

Staff recommended that this expenditure be approved from existing funds in the Fiscal Year 2016/17 Capital Budget under *Annual R/R – EPA Extraction Well (Muscoy)* with available funding of approximately \$285,000.00. Rehabilitation of EPA 111 was one hundred percent (100%) reimbursable through the AIG commutation account.

Upon motion by Commissioner Hendrix, duly seconded by Commissioner Fernández, it was unanimously voted to approve the rehabilitation of EPA 111 by Best Pump and Drilling, Inc. in the amount of \$119,170.00.

10. PROPERTY INSURANCE RENEWAL FOR FISCAL YEAR 2016-17: On July 31, 2016, the City of San Bernardino Municipal Water Department will need to renew its property insurance coverage for fiscal year 2016/17, covering approximately \$330,262,542.00 in Water and Sewer Fund real and personal property. The renewal carried an annual premium of \$536,279.00, which was a decrease of approximately 7.6% from last year's premium.

Due to years of excellent customer service and experience working with the company, the Water Department continued to work with Marsh Risk & Insurance Services (Marsh) to find the most appropriate insurance coverage for Department assets. Funds were budgeted to cover the cost of the proposed property coverage renewal.

Upon motion by Commissioner Hendrix, duly seconded by Commissioner Fernández, it was unanimously voted to approve the annual property insurance renewal premium of \$536,279.00. The General Manager was authorized to bind the renewal policies effective August 1, 2016.

11. CLAIMS SETTLEMENTS – QUARTERLY REPORT: In accordance with Policy 20.090 – Claims Handling, the Environmental and Regulatory Compliance Division prepared the quarterly claims settlements report detailing all claims processed for the period of APRIL through JUNE 2016. **(INFORMATION ITEM ONLY)**

12. JUNE 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. This monthly report provided valuable data needed to contemplate important policy decisions related to Water Supply Shortage Stages outlined in Rule and Regulation No. 21. **(INFORMATION ONLY)**

13. 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

14. 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 and Preparedness Instructor for the American Red Cross, stated he wanted to inquire about the Department's earthquake preparedness. Director Guerrero will be meeting with Mr. Hillman on Wednesday, July 20, 2016, to discuss this issue.

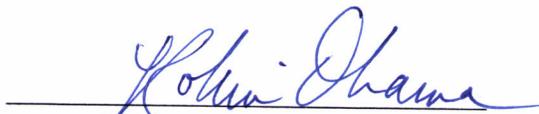
15. ADJOURN MEETING: The meeting adjourned at 10:05 a.m. to the next Regular Meeting to be held on Tuesday, August 2, 2016, at 9:30 a.m. in Margaret H. Chandler Water Reclamation Plant Conference Room, 399 Chandler Place, San Bernardino, California, 92408.

BY:



TONI CALLICOTT
President

BY:



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