

AMENDED MINUTES
BOARD OF WATER COMMISSIONERS
OF THE CITY OF SAN BERNARDINO

REGULAR MEETING
October 4, 2016
Margaret H. Chandler Water Reclamation Plant
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 October 4, 2016 in the Margaret H. Chandler Water Reclamation Plant, 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; Amy Smith, Executive Secretary; Victor Hsu-Norton, Rose, Fulbright; Rob Larkins, Raymond James.

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

1. CLOSED SESSION: President Callicott adjourned the Regular Meeting of the Board of Water Commissioners to a Closed Session. At 10:31 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:

B. Conference with legal counsel – anticipated litigation – significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Government Code Section 54956.9.

Upon motion by Commissioner Valles, duly seconded by Commissioner Hendrix, it was unanimously voted to authorize the General Manager to retain Russ Randle of Squire Patton Boggs, for anticipated litigation.

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 10:48 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 Valles, duly seconded by Commissioner Hendrix, it was unanimously voted to approve the following Consent Calendar, with a correction to Item 3E5, Agenda Items 3A through 3F:

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: 273348-273641			
Accounts Payable	\$861,839.00	\$473,255.80	\$1,335,094.80
Gross Payroll 09/05/16- 09/18/16	<u>232,818.90</u>	<u>186,514.44</u>	<u>419,333.34</u>
TOTALS	<u>\$1,094,657.90</u>	<u>\$659,770.24</u>	<u>\$1,754,428.14</u>

Payroll for the pay period September 19, 2016 through October 2, 2016.

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

D. MINUTES: September 20, 2016.

E. PERSONNEL ACTIONS:

1. APPOINTMENT: Allen Harralson, Water Reclamation Senior Operator, Section 4020, Range 157, effective October 3, 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: Nathan Brown, Welder, Range 144, to Water Utility Lead Worker, Section 3043, Range 148, ratify effective September 5, 2016. This position was in the budget and based on the needs and staffing for this section, the position was justifiable under the budget.
3. PROMOTION: Tyler Buechter, Water Utility Worker III, Range 142, to Water Utility Lead Worker, Section 3021, Range 148, ratify effective September 19, 2016. This position was in the budget and based on the needs and staffing for this section, the position was justifiable under the budget.
4. PROMOTION: Andre Garnatz, Water Utility Worker II, Range 138, to Water Utility Worker III, Section 3021, Range 142, ratify effective September 19, 2016. This position was in the budget and based on the needs and staffing for this section, the position was justifiable under the budget.

5. PROMOTION: Antonio Dupre, Water Utility Worker I, Range 132, to Water Utility Worker II, Section 3023, Range 138, ratify effective September 19, 2016. This position was in the budget and based on the needs and staffing for this section, the position is still justifiable under the budget.
6. PROMOTION: Richard Flores, Water Utility Worker III, Range 142, to Water Utility Lead Worker, Section 3021, Range 148, ratify effective September 19, 2016. This position is in the budget and based on the needs and staffing for this section, the position is still justifiable under the budget.

- F. ADOPTION OF POLICY 54.030 - DISCLOSURE POLICY AND PROCEDURE: In order to ensure that the Department was compliant with applicable federal and state securities laws, it was important that policies and procedures be developed to outline the necessary components.

END OF CONSENT CALENDAR

4. ADDITIONS TO THE AGENDA: None.
5. ACCEPTANCE OF WATER UTILITY EASEMENT FOR DOWNTOWN SAN BERNARDINO PASSENGER RAIL PROJECT (EPN 2011-009): The San Bernardino County Transportation Commission (SANBAG) was constructing a new Crew House building near the San Bernardino Transit Center to support the Downtown San Bernardino Passenger Rail Project. The Crew House building was located within the property known as APN 0136-111-24, and was land-locked. During the project planning phase, SANBAG staff approached the Department regarding fire, domestic, and landscape water services for the new Crew House building. In order to provide the requested services, SANBAG proposed a main extension to provide service through the parcels known as APNs 0136-111-14 and 0136-111-24, which are also owned by SANBAG.

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

Upon motion by Commissioner Mlynarski, duly seconded by Commissioner Hendrix, it was unanimously voted to accept the Grant of Easement from the San Bernardino County Transportation Commission (SANBAG) within the properties known as APNs 0136-111-14 & 0136-111-24 as described in the easement documents. The Secretary was authorized to submit the easement documents to the General Manager for signature and recordation.

6. CONTINGENCY/EMERGENCY WATER SUPPLY SALES AGREEMENT BETWEEN THE CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT AND THE CITY OF LOMA LINDA: In December 1997, the Water Department (Department) entered into an agreement to provide contingency and emergency water supply to the City of Loma Linda through two water supply inter-ties. This inaugural agreement expired December 2002 and a new agreement was executed in April 2003. The renewed agreement included several requirements for metering/connection upgrades and good faith effort on Loma Linda's part for securing reliable water supply sources, as the Department cannot guarantee consistent, uninterrupted supply. This agreement expired April 2007 and had not been renewed since.

In July 2016, the Water Department was contacted by the City of Loma Linda to discuss and work out a new agreement. The agreement was drafted by the Department and sent to Loma Linda for review and approval. On August 9, 2016, the Loma Linda City Council unanimously approved the agreement.

Upon motion by Commissioner Fernández, duly seconded by Commissioner Hendrix, it was unanimously voted to approve the Contingency/Emergency Water Supply Sales Agreement between the City of San Bernardino Municipal Water Department and the City of Loma Linda. The President and Secretary were authorized to execute the Agreement.

7. REQUEST TO RATIFY THE REMEDIATION OF THREE WELLS FOR THE RIX WELL RETROFIT PROJECT – LAYNE CHRISTENSEN COMPANY: In Consultation with the U. S. Fish and Wildlife Service, the Department was implementing various RIX Facility enhancements, including improving existing test wells and converting them to production wells, in order to provide a supplemental water source to the Santa Ana River for protection of fish and their habitat, as needed, during RIX Facility shutdowns.

In order to obtain the information necessary to complete the well retrofit design and expedite the project's completion, Staff requested urgent proposals from the five prequalified contractors (under Specification No. 1640 – Well Rehabilitation Assessment and Repair) to inspect and remediate the three existing wells. Layne Christensen Company (Layne) was responsive and provided the lowest quotation for the Accelerated Project in the amount of \$248,324.00.

The General Manager authorized proceeding with the expedited work pursuant to the Emergency Procedures authority granted in Department Policy 51.030, Item G – Emergency Purchases. Purchase Order No. 031504 issued to Layne in the amount of \$248,324.00.

This project was included in the Fiscal Year 2016/17 RIX CIP budget (Construction Order 00189; Budget ID No. 16-208). Sufficient funds are available to fund the well remediation effort.

Upon motion by Commissioner Hendrix, duly seconded by Commissioner Valles, it was unanimously voted to ratify the issuance of a purchase order in the amount of TWO HUNDRED AND FORTY EIGHT THOUSAND THREE HUNDRED AND TWENTY FOUR DOLLARS (\$248,324.00) to Layne Christensen Company for the Remediation of Three RIXES Wells.

8. REQUEST TO APPROVE CHANDLER WELL REMEDIATION – BEST DRILLING AND PUMP, INC.: Due to prolonged drought conditions and increased groundwater pumping within the Bunker Hill Groundwater Basin, the average groundwater surface elevation at the Chandler Well has dropped. In addition to the decline of groundwater surface elevation, continuous use of the Chandler Well to provide Water Reclamation Plant (WRP) process water resulted in reduced transmissivity, due to media and well screen fouling. On August 1, 2016, the Chandler Well (and one other at the WRP) ran dry.

The Department contracted Tri County Pump Company to pull the Chandler Well equipment, assess the equipment and well, and provide recommendations for rehabilitation of the well. Staff requested remediation proposals from prequalified contractors to remediate the Chandler Well. Best Drilling and Pump, Inc. (Best) was responsive and provided the lowest quotation in the amount of \$66,750.00.

On September 6, 2016, the Board of Water Commissioners approved the addition of the WRP Wells Rehabilitation project to the Fiscal Year 2016/17 Sewer Fund Capital Improvement Budget. There were sufficient funds in Construction Order No. 00192 to fund the Chandler Well remediation effort.

Upon motion by Commissioner Valles, duly seconded by Commissioner Fernández, it was unanimously voted to approve the award of the Remediation of the Chandler Well to Best Drilling and Pump, Inc., in the amount of SIXTY SIX THOUSAND SEVEN HUNDRED FIFTY AND 00/100 DOLLARS (\$66,750.00).

9. WATER REVENUE BONDS: Staff sought approval from the Board of Water Commissioners to issue the 2016 Water Revenue Bonds in an amount not to exceed \$65,000,000 through the California Municipal Finance Authority to refund existing debt of the Water Fund and provide funding for critical capital projects. The Preliminary Official Statement, which must include all facts that would be material to an investor in the 2016 Bonds, had been reviewed and approved for transmittal to the Board of Water Commissioners by Department staff and its financing team.

The refunding of existing debt would create debt service savings, which would free up net revenue of the water system to be used for ongoing operations and other projects. Funding of the capital projects would ensure that critical projects are completed.

Commissioner Mlynarski would like to see a report on the final amounts (proceeds and cost of issuance) once the bonds close due to the \$10 million difference between the maximum amount authorized and the actual amount issued.

Upon motion by Commissioner Valles, duly seconded by Commissioner Fernández, it was unanimously voted to approve adopt Resolution No. 900, approving the forms of the Preliminary Official Statement, Installment Purchase Agreement, Indenture of Trust, Bond Purchase Agreement, and Continuing Disclosure Agreement.

10. PRESENTATION OF RESOLUTION NO. 898: Resolution No. 898 was presented to Donald York for more than 36 years of service upon his retirement from the San Bernardino Municipal Water Department.
11. 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
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.

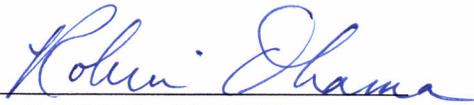
13. ADJOURN MEETING: The meeting adjourned at 10:51 a.m. to the next Regular Meeting to be held on Tuesday, October 18, 2016, at 9:30 a.m. in the Margaret H. Chandler Water Reclamation Plant Conference Room, 399 Chandler Place, San Bernardino, California, 92408.

BY: _____



TONI CALLICOTT
President

BY: _____



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