



**City of San Bernardino
Municipal Water Department**

399 Chandler Place
San Bernardino, CA 92408
<http://www.sbcitywater.org>

*President Cecilia "Toni"
Callicott*

Commissioners

*Wayne Hendrix
David Mlynarski
Rikke Johnson
Thomas Brickley*

MINUTES

FOR THE
WATER BOARD OF THE CITY OF SAN BERNARDINO

JANUARY 25, 2022

CALL TO ORDER

The Regular Meeting of the Water Board of the City of San Bernardino was called to order by President Toni Callicott at 9:30 AM, Tuesday, January 25, 2022, via web-conference and livestream via YouTube.

ROLL CALL

Attendee Name	Title	Status	Arrived
Cecilia "Toni" Callicott	President	Present	9:30 AM
Wayne Hendrix	Vice President	Present	9:30 AM
David Mlynarski	Board Member	Present	9:30 AM
Rikke Johnson	Board Member	Present	9:30 AM
Thomas Brickley	Board Member	Present	9:30 AM
Miguel Guerrero	General Manager	Present	9:30 AM

- 1. ANNOUNCEMENTS BY THE BOARD:** None.
- 2. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA:** None.
- 3. PUBLIC COMMENTS ON ITEMS LISTED ON THE AGENDA:** None.

4. CONSENT CALENDAR – ITEMS 4A THROUGH 4D:

A. PAYROLL:

	<u>Water Fund</u>	<u>Sewer Treatment</u>	<u>Sewer Collections</u>	<u>Total</u>
Claims:299536-299830				
Accounts Payable	\$415,865.23	\$564,635.75	\$16,298.50	\$996,799.48
Gross Payroll				
12/20/21-01/02/22	<u>318,038.91</u>	<u>236,305.89</u>	<u>77,255.08</u>	<u>631,599.88</u>
TOTALS	<u>\$733,904.14</u>	<u>\$800,941.64</u>	<u>\$93,553.58</u>	<u>\$1,628,399.36</u>

Payroll for the pay period beginning January 17, 2022 through January 30, 2022.

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

C. MINUTES: January 11, 2022.

D. REVISED POLICY #32.070 FAMILY, MEDICAL, AND PREGNANCY DISABILITY LEAVE: Policy 32.070 – *Family, Medical, and Pregnancy Disability Leave*, was revised to include the definition of parent-in-law and to include parents-in-law as eligible family members that employees would be able to take CFRA leave to care for. The policy was also revised to remove references to the expired FFCRA and ARPA leaves. All relevant forms were revised to reflect these changes.

This would be reviewed and receipt acknowledged by all employees.

MOTION: Ratify revised Policy #32.070 Family, Medical, and Pregnancy Disability Leave, and forms, as submitted.

RESULT: APPROVED 5-0 BY ROLL CALL VOTE
MOVER: D. Mlynarski
SECONDER: W. Hendrix
ABSTAINED: N/A
ABSENT: N/A

END OF CONSENT CALENDAR

5. PRIVATE WATER AND SANITARY SEWER SERVICE LINE PROTECTION

SERVICES: The Water Department's potable water system includes over 700 miles of water mains/pipelines that convey drinking water to the San Bernardino community. There are over 45,000 connections that stem off this conveyance system. This service line, up to and including the meter, is owned and maintained by the Water Department.

Meters are typically located in the public right-of-way, near the private property line. The service line downstream of the meter is private property that was owned and maintained by the property owner.

The Water Department's sewer collection system includes nearly 500 miles of sewer mains/ pipelines. There are over 35,000 connections that stem off this sewer conveyance system. Each connection has a service line or lateral that ranges in size depending on the property type and its sewer discharge flow. The entire service line from the connection at the sewer main to the building on the private property is owned and maintained by the property owner.

A majority of repair issues affecting both water and sewer service lines occur on private property. Repairs to private sewer and water laterals are unpredictable and can be costly. Water and wastewater utilities do not typically offer services to repair private laterals, however, some utilities do endorse third-party vendors that offer warranty for private water and sewer laterals.

On February 24, 2021, the Water Department posted Request for Proposal (RFP) No. 1742 for Private Water and Sanitary Sewer Service Line Protection Services for Property Owners with a proposal due date of March 26, 2021. The RFP went out via PlanetBids to 536 vendors. HomeServe USA Corp. (HomeServe) submitted the only proposal. The Department interviewed HomeServe on April 14, 2021, and as a result of the proposal review and interview, staff recommended HomeServe.

There was no cost to the Water Department. The Agreement provided a non-rate revenue source of \$65,000 spread across the first three years of the initial term and 10% of plan payments.

President Callicott asked if HomeServe would keep an accurate record of customers that would be participating in this program.

General Manager Guerrero stated that HomeServe would track all information and it would provide the Department with the statistics from the program.

President Callicott asked what the process would be if the Department decided to terminate the agreement with HomeServe in the future.

General Manager Guerrero stated that after the initial five (5) year term, the Department would inform HomeServe of the Department's decision to terminate the agreement.

General Manager Guerrero stated that if there was a breach or issue of the scope of the agreement, there were avenues the Department would take to sever the relationship with HomeServe.

Commissioner Johnson asked what the payment terms would be for a customer that would like to enroll in the program.

General Manager Guerrero stated that the customer would pay on a monthly basis and there may be an option for one-time annual payment.

President Callicott asked if the Department had seen a list of clients that were currently doing business with HomeServe.

General Manager Guerrero stated that the Department thoroughly vetted HomeServe and that one of the closest clients was the City of Rialto, who were very impressed with the service from HomeServe.

General Manager Guerrero stated that Mr. Bill Coffey of HomeServe was in attendance to answer any specific questions.

Commissioner Johnson asked if there would be an increase of no more than \$6.00 every year after the initial five-year term.

Mr. Coffey stated that in five years that hasn't been a price increase, but an increase, if any, would be no more than \$6.00.

General Manager Guerrero stated that before the initial five-year term ended, the Department would negotiate with HomeServe to request another set price like the set price set for the first term of the agreement.

Commissioner Mlynarski asked about the liability and insurance coverage for the Department and City because he did not want to jump into anything that could expose the Department to harm or hurt its reputation.

Commissioner Mlynarski asked if the property owner had to be the person to initiate the contract.

Commissioner Mlynarski stated that the community was a broad make up of social and economic diversity and many households weren't sophisticated and don't understand a lot of the programs being offered.

Commissioner Mlynarski stated that he was concerned about attaching the Department to a program that was not clearly represented at the highest level of transparency and understanding.

Commissioner Mlynarski stated that the City had a high Latino population not really understanding certain things that were communicated in various formats, as well as other percentages in the community, and wanted to make sure that the Department was not taking on another company's issues.

General Manager Guerrero stated that those concerns were valid and that the review team worked closely with Best Best and Krieger regarding liability coverage and also interviewed other clients in order to compile all of the information needed to make a decision to move forward with HomeServe.

Mr. Coffey stated that customer service was the highest priority for HomeServe. HomeServe sends customer surveys out after each claim is submitted and filed to get feedback in order to enhance its service.

Mr. Coffey stated that HomeServe had bilingual customer service representatives 24/7 in the call center, and all material will be sent to the Department for review in English, but would be sent to all customers in both English and Spanish in order to reach all members of the community.

President Callicott asked what the percentage of the potential customers sign up for this program and would like to know who would carry the message in order to get participation.

Mr. Coffey stated that HomeServe would send out three (3) mailers through direct mail per year to all property owners, and typically about 10 percent (10%) participation was seen in the first three (3) years, with growth after that time.

Mr. Coffey stated that there were no pre-inspections and no pre-existing conditions for property owners, so the price was very affordable under the agreement.

Commissioner Mlynarski asked if other agencies that served residents of San Bernardino were made aware of this program.

General Manager Guerrero stated that the messaging and outreach would involve the Department's customers only, and HomeServe was aware that a percentage of the City received service from East Valley Water District.

Mr. Coffey stated that EVWD was not a client but have spoken with EVWD regarding the program.

Commissioner Johnson asked how long HomeServe has been in business.

Mr. Coffey stated that HomeServe began services in 2003 in the United States and prior to that in the United Kingdom.

Commissioner Brickley stated that based on the information provided and discussion he felt confident that this was a good program.

MOTION: Approve the Marketing Agreement with Utility Service Partners Private Label, Inc., a subsidiary of HomeServe USA Corp., for a five-year (5-year) term, which shall automatically be extended for an additional five-year (5-year) term. The General Manager was authorized to execute the Agreement.

RESULT:	APPROVED 5-0 BY ROLL CALL VOTE
MOVER:	T. Brickley
SECONDER:	R. Johnson
ABSTAINED:	N/A
ABSENT:	N/A

6. **RESOLUTION AUTHORIZING GRANT APPLICATION, ACCEPTANCE, AND EXECUTION FOR THE DEPARTMENT OF WATER RESOURCES URBAN AND MULTIBENEFIT DROUGHT RELIEF GRANT PROGRAM:** On October 28, 2021, the Department of Water Resources (DWR) announced a funding opportunity through its Urban and Multibenefit Drought Relief Grant program. DWR's program made available approximately \$190 million in competitive grants which were allocated through funding from the Budget Act of 2021. The program was intended to provide relief to urban communities affected by drought conditions.

On January 7, 2022, staff received an official award notification letter from the DWR Financial Assistance Branch announcing that SBMWD was selected for a \$2,000,000 award without a required funding match for Phase I of the Department's AMI project.

The grant applications for the Department's Tertiary Treatment System and Devil's Canyon 8 Well were not selected for the first round of funding, but the adoption of these resolutions would enable the Department to proceed with execution of a Grant Agreement if they were to be selected for the second round of funding.

There was no required contribution of Non-Federal Matching Funds for this grant program. Adoption of the Resolution to authorize acceptance and execution of an agreement with the DWR would meet the DWR's Urban and Multibenefit Grant Program requirements and enable receipt of the award for Phase I of the Department's AMI project in the amount of \$2,000,000 which may be applied to all project costs incurred after December 21, 2021.

MOTION: Adopt Resolution No. 2022-001, authorizing the General Manager to submit the application accept award and enter into an agreement for the Phase I of the AMI Project under the DWR Urban and Multibenefit Grant Program; and

Adopt Resolution No. 2022-002, authorizing the General Manager to submit the application accept award and enter into an agreement for the DC-8 Well Construction Project under the DWR Urban and Multibenefit Grant Program; and

Adopt Resolution No. 2022-003, authorizing the General Manager to submit the application accept award and enter into an agreement for the Department's Tertiary Treatment System under the DWR Urban and Multibenefit Grant Program.

RESULT:	APPROVED 5-0 BY ROLL CALL VOTE
MOVER:	W. Hendrix
SECONDER:	R. Johnson
ABSTAINED:	N/A
ABSENT:	N/A

7. **CONTRACT 1728R – BLACK AND VEATCH CORPORATION – CHANGE ORDER NO. 2 – ENGINEERING DESIGN AND CONSTRUCTION SUPPORT SERVICES FOR DIGESTER “B” REPLACEMENT PROJECT (CO 00254):** On November 24, 2020, the Water Board entered into Contract No. 1728R with Black and Veatch Corporation (B&V) for Design and Construction Support Services for the Digester “B” Replacement Project.

On April 5, 2021, the Santa Ana Regional Water Quality Control Board (SARWQCB) visited the Water Reclamation Plant (WRP) to observe operations. The Department was advised by SARWQCB staff that the use of the sludge drying beds was not compliant with California Code of Regulations, Title 27, which required a double lined containment system, similar to what was required in landfills. Due to the nexus of the drying beds to the existing Digester B Project, the Department proceeded with Change Order No. 1 with Black and Veatch for design services of the Emergency Sludge Drying Beds Lining project in July 2021.

In September 2021, the draft Biosolids Strategic Plan (BSP) was submitted to the Department and since then, development of the Preliminary Design Report (PDR) has been underway. Within the PDR effort, a series of workshops and discussions occurred to review key aspects of the design which resulted in the Department requesting to evaluate alternatives and design services not included in B&V's original scope of work.

The additional scope of services detailed in the Staff Report would include preliminary design, final design, and Engineering support during construction services.

The total cost of additional services was \$169,090.00. However, a cost reallocation of Optional Task 8.3 of \$141,705.00 to partially cover the additional services, as listed above, resulted in a net increase of \$27,385.00.

The funding source for this Change Order was C.O. 00254, Digester B Replacement Project with Biosolids Strategic Plan, which had sufficient funds available for this change order.

Commissioner Mlynarski stated that he appreciated the details and thanked Director Stewart and staff for the information.

Director Stewart thanked WRP and ERC staff for their hard work on this project.

MOTION: Approve Change Order No. 2 for Contract No. 1728R with Black and Veatch Corporation, in the amount of TWENTY-SEVEN THOUSAND THREE HUNDRED AND EIGHTY-FIVE AND 00/100 DOLLARS (\$27,385.00). The General Manager was authorized to execute the change order.

RESULT:	APPROVED 5-0 BY ROLL CALL VOTE
MOVER:	D. Mlynarski
SECONDER:	W. Hendrix
ABSTAINED:	N/A
ABSENT:	N/A

8. **CLAIMS SETTLEMENTS – QUARTERLY REPORT: CLAIMS SETTLEMENT – 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 October 2021 through December 2021. (INFORMATION ITEM ONLY)
9. **REPORTS:**
- A. **Report of the President –** President Callicott complimented and thanked staff on the development of the Notice of Public Hearing that was mailed to the community.
- B. **Report of the Commissioners –** Commissioner Mlynarski stated that he received the Notice of Public Hearing and it was a very informative document and complimented Devin Arciniega for her outstanding participation in a variety of programs.
- C. **Report of the Directors:**
1. Director Shepardson stated the Department secured employment practices liability insurance on January 11, 2022, through Ironshore Insurance Company. The annual policy fee was \$35,284, and the policy was approved administratively and executed by the General Manager.
- D. **Report of the General Manager –**
1. General Manager Guerrero provided a COVID-19 update to the Water Board. San Bernardino County current case rate per 100,000 was approximately 235, but was trending downward.

2. General Manager Guerrero stated that the Department had a total of 45 positive cases in January.
3. General Manager Guerrero stated that the Department received a number of rapid COVID-19 testing kits from the City and County and were distributed to all Department employees. This allowed the Department to identify cases sooner and get employees back to work quickly.
4. General Manager Guerrero stated that the Annual Comprehensive Financial Report was received and approved by the Mayor and City Council on January 19, 2022.

10. ADJOURNMENT:

The next regular meeting of the Water Board was scheduled for 9:30 a.m., February 8, 2022, via web-conference.

By: 
Miguel J. Guerrero, P.E.
General Manager