



**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

OCTOBER 10, 2023

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, October 10, 2023, in-person 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	Absent	N/A
Miguel Guerrero	General Manager	Present	9:30 AM

- 1. ANNOUNCEMENTS BY THE BOARD:** None.
- 2. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA:** David Kim requested information on the differences between sewer charges on his bill and on his property tax bill.
- 3. PUBLIC COMMENTS ON ITEMS LISTED ON THE AGENDA:** None.

4. CONSENT CALENDAR – ITEMS 4A THROUGH 4C:**A. PAYROLL:**

	<u>Water Fund</u>	<u>Sewer Treatment</u>	<u>Total</u>
Claims:3005389- 3005581			
Accounts Payable	\$1,259,321.52	\$511,392.02	\$1,770,713.54
Gross Payroll 09/11/23-09/24/23	<u>\$876,536.51</u>	<u>\$785,432.33</u>	<u>\$1,661,968.84</u>
TOTALS	<u>\$2,135,858.03</u>	<u>\$1,296,824.35</u>	<u>\$3,432,682.38</u>

Payroll for the pay period beginning September 25, 2023 through October 8, 2023.

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

C. MINUTES: September 26, 2023.

RESULT: APPROVED 4-0 BY ROLL CALL VOTE WITH 1 ABSENT
MOVER: W. Hendrix
SECONDER: R. Johnson
ABSTAINED: N/A
ABSENT: T. Brickley

DISCUSSION ITEMS

- 5. AUTOMATIC ANNUAL WATER CAPACITY CHARGE INCREASE FOR FISCAL YEAR 2024/2025:** Rule and Regulation No. 5 required that “On July 1 of each calendar year the acquisition of service charge shall automatically increase in proportion to the published twelve-month increase measured in September each year in the Construction Cost Index. This index is published in “Engineering News Record,” a publication of McGraw-Hill, Inc. The Board of Water Commissioners may, at its option, determine by resolution adopted prior to November 1, that such an increase shall not be effective for the next succeeding fiscal year (always starting on July 1). In the event the Construction Cost Index has not changed or has decreased, the charge shall not be changed.”

The “Engineering News Record (ENR)” Construction Cost Index showed a 2.4 percent increase for the period of September 2022 through September 2023.

Commissioner Mlynarski asked if this was a one-time fee when acquiring a new service.

Director Miller stated that it was a one-time fee for a brand new meter on a property.

MOTION: A motion to allow the automatic ENR increase to 2.4 percent to the water capacity charges in Rule and Regulation No. 5 to become effective July 1, 2024; and direct staff to provide notification to current and future project holders of the effective date and amount of water capacity charge increases.

RESULT: APPROVED 4-0 BY ROLL CALL VOTE WITH 1 ABSENT
MOVER: W. Hendrix
SECONDER: D. Mlynarski
ABSTAINED: N/A
ABSENT: T. Brickley

6. **CONTRACT NO. 1729 – INFRASTRUCTURE ENGINEERING CORPORATION, AN ARDURRA COMPANY – CHANGE ORDER NO. 1 AND CHANGE ORDER NO. 2– THIRD PARTY CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES PROJECTS (CO 000194 AND CO 00199):** On May 12, 2020, the Water Board approved Contract No. 1729 with Infrastructure Engineering Corporation, an Ardurra Company (IEC) to provide Professional Third-Party Construction Management and Inspection Services (CM) for multiple simultaneous projects at the Water Reclamation Plant (WRP). The project was expected to end with the completion of construction of the projects which were anticipated to be completed by March 31, 2022. However, the construction projects encountered various delays ranging from scarcity of material supply, manufacturing design challenges with the flares, and completion of requirements for permitting of the Tertiary Treatment System Project (TTS).

Overruns in various task items were moved by staff from Task 4 – TTS Project to provide continuous CM services. In order to restore those individual task shortfalls to a zero balance, five reallocations were proposed in Change Order No. 1. After the reallocations, a shortfall from the original budgeted need to properly manage the construction of Task 4- TTS Project existed. The original budget for Task 4 was noted as \$822,850, but as of June 2023, \$41,320 was spent on task related CM services. The remaining balance was \$781,530. To make this task whole, the difference between \$781,350 and the positive remaining Task 4 balance of \$372,911.88 was \$408,618.12. The reallocation of funds was presented as Change Order No. 1 to Contract No. 1729.

During construction of the 1110.2 Resultant Projects, Specification 1722, staff applied for the REN-WISE-19-000087 Program by Southern California Edison (SCE) which required proof of costs associated with the requirements for their incentive program. IEC was asked to provide additional work on the 1110.2 Resultant Projects for purposes of compliance with those requirements.

Late in the progress of the 1110.2 Resultant Projects, staff learned of an operational problem on the Ultra-Low Emission (ULE) Flare. The flare provided by John Zink was installed with a low-pressure gas blower that failed to meet the specification requirements for a sealed system in compliance with the South Coast Air Quality Management District (SCAQMD).

This system required the redesign of project elements that had already been designed by the Department's Engineer of Record, Hazen and Sawyer. As such, Hazen and Sawyer, as well as IEC participated in the design of the air compressor system that would be tied into the previously designed and installed system to support the air purge seal system.

The TTS Project was expected to begin construction before January 1, 2021. After finalization of design, completion of significant progress on the environmental prerequisites for construction, and resolution of the grant funding opportunity, the project did not begin until June 2023. Given the prior completion of the other projects, the consultant could no longer take advantage of the economy of scale by managing multiple concurrent projects. Further exacerbating the matter was the extension of construction duration from 12 months to 18 months and the increase in hourly rates with the passing of time.

The SCE application support, ULE issue, and increased effort and cost for the TTS made up Change Order No. 2 which amounted to \$860,300.00.

The funding sources for these Change Orders were CO 00194, *Tertiary Treatment System* and 00199, *Flare Replacement*, which had sufficient available funds for this change.

Commissioner Mlynarski asked if the Department negotiated this contract with IEC or Ardurra.

Director Stewart stated that the original contract was with IEC and IEC was acquired by Ardurra, but still maintained the name.

Commissioner Mlynarski asked if the Department saw the twenty-eight percent (28%) increase from the Change Orders as reasonable.

Director Stewart stated that it seemed high from the initial scope of work, but that had changed significantly, which made the increase reasonable.

Commissioner Mlynarski stated that he wanted the Department to be sensitive to the fact that the original bid amount be reasonable in comparison to the project, especially complex engineering projects.

MOTION: Approve the Change Order No. 1 to Contract No. 1729 with Infrastructure Engineering Corporation, an Ardurra Company in the amount of FOUR HUNDRED EIGHT THOUSAND SIX HUNDRED EIGHTEEN AND 12/100 DOLLARS (\$408,618.12); and

Approve Change Order No. 2 to Contract No. 1729 with Infrastructure Engineering Corporation, an Ardurra Company, in the amount of EIGHT HUNDRED SIXTY THOUSAND THREE HUNDRED AND 00/100 DOLLARS (\$860,300.00); and authorize the General Manager to execute the change orders.

RESULT: APPROVED 4-0 BY ROLL CALL VOTE WITH 1 ABSENT
MOVER: D. Mlynarski
SECONDER: R. Johnson
ABSTAINED: N/A
ABSENT: T. Brickley

7. REPORTS:

A. Report of the President – None.

B. Report of the Commissioners – None.

C. Report of the Directors –

1. Director Shepardson reported that the Department was working with underwriters on five (5) major lines of insurance coverage and the results would be brought before the Water Board at a future meeting.
2. Director Stewart stated that the Emergency East Influent Siphon Project was progressing and staff was doing a very good job working with all entities involved in the project, especially Jonathon Schoenen from the Engineering section.
3. Director Stewart stated that Department was working with San Bernardino County Fire to address nuances within its system and thanked the Water Utility Distribution Superintendent for taking the lead and building a successful working relationship with County Fire.
4. Deputy General Manager Ohama reported that LIHWAP was currently up to approximately \$656,000 and approximately 800 customers were given assistance with their utility bill from this program.

Deputy General Manager Ohama stated that LIHWAP representatives would be at Customer Service to assist customers that would like information on the program.

5. Deputy General Manager Ohama stated that Kim Chacon, HR Analyst, attended the meeting to discuss Open Enrollment with the Water Board.

D. Report of the General Manager –


1. General Manager Guerrero reported that the Recycled Water Ad Hoc, which consisted of the City of Redlands, Valley District, East Valley Water District, and the Department, would not have to reconvene, as previously reported, and that each partner would proceed with informing each of its governing boards regarding the amendments.

- 2. General Manager Guerrero stated that he would be meeting with County representatives, along with Department staff, on October 12, 2023, to discuss septic to sewer, specifically the Arrowhead Farms area.

General Manager Guerrero stated that a pilot project would be discussed, as well as pursuing grant funding for this project.

8. ADJOURNMENT:

The next regular meeting of the Water Board was scheduled for 9:30 a.m., October 24, 2023 at the Margaret H. Chandler Water Reclamation Plant, located at 399 Chandler Place, San Bernardino, CA, 92408.

By: 

Miguel J. Guerrero, P.E.
General Manager