



**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 26, 2021

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 26, 2021, 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	Absent	N/A
Rikke Johnson	Board Member	Present	9:30 AM
Thomas Brickley	Board Member	Present	9:30 AM
Miguel Guerrero	General Manager	Present	9:30 AM

- ANNOUNCEMENTS BY THE BOARD:** Commissioner Johnson stated that the Electoral Redistricting Advisory Committee (Committee) met on Monday, October 25, 2021 and finalized the redistricting draft that will be presented at the November 3, 2021 Mayor & City Council meeting, followed by a public hearing on November 17, 2021.

Commissioner Johnson stated that the Committee would be presenting the draft to all seven (7) wards for finalization and submission to the County by December 15, 2021.

- PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA:** None.
- 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>Sewer Collections</u>	<u>Total</u>
Claims:298809-298961				
Accounts Payable	\$1,198,973.85	\$1,202,078.76	\$15,240.72	\$2,416,293.33
Gross Payroll				
09/27/21 –	<u>301,355.32</u>	<u>221,099.15</u>	<u>69,717.31</u>	<u>592,171.78</u>
10/10/21				
TOTALS	<u>\$1,500,329.17</u>	<u>\$1,423,177.91</u>	<u>\$84,958.03</u>	<u>\$3,008,465.11</u>

Payroll for the pay periods beginning October 11, 2021 through October 24, 2021.

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

C. **MINUTES:** October 12, 2021.

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

END OF CONSENT CALENDAR

5. **CONSIDERATION OF AMENDMENT TO GENERAL MANAGER EMPLOYMENT AGREEMENT:** On August 28, 2018, the Water Board approved and executed the General Manager Employment Agreement with Miguel Guerrero, P.E. On September 24, 2019, the Water Board approved the First Amendment to the Agreement. On December 8, 2020, the Water Board approved the Second Amendment to the Agreement. Under the Agreement, as amended, the Water Board was required to conduct an annual performance evaluation and to review the General Manager’s salary. The Board recently completed the General Manager’s performance evaluation and its assigned negotiators, President Callicott, worked with the General Manager to prepare the proposed Third Amendment.

The Third Amendment increased the General Manager’s base pay by 3% and increased the deferred compensation provided by the Department to the General Manager by \$250 on January 1, 2022, which was within the adopted Fiscal Year 2021-22 Operating budget. This amendment also provided an additional \$1,000 in deferred compensation per year commencing January 1, 2023, and an annual base pay increase ranging 3-5% depending on the local consumer price index commencing July 1, 2022. Funding for the future years of this contract would be included in the appropriate fiscal year budget.

President Callicott stated that Water Board and General Manager Guerrero agreed with the Third Amendment.

Commissioner Hendrix stated that the amendment was a perfect move for the Water Board.

President Callicott publicly thanked General Manager Guerrero for his leadership, making the Department a sound organization, and for his excellent customer service.

MOTION: Approve the Third Amendment to the General Manager Employment Agreement.

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

6. **RESOLUTION AUTHORIZING GENERAL MANAGER TO SUBMIT AN APPLICATION FOR GRANT FUNDING FROM THE BUREAU OF RECLAMATION'S WATERSMART DROUGHT RESPONSE PROGRAM FOR THE DEVIL'S CANYON 8 WELL PROJECT:** The U.S. Bureau of Reclamation (Bureau) WaterSMART (Sustain and Manage America's Resources for Tomorrow) Drought Response Program established a framework to provide grant funding to support long-term sustainability of water resources. On July 30, 2021, the Bureau announced grant opportunities totaling \$16.5 million in federal Drought Response Program funding for Drought Resiliency Projects.

Staff proposed to submit an application to the Bureau's Drought Resiliency Projects grant program to help fund the design and installation of new wells which would reinforce the Department's ongoing sustainability efforts. The Devil's Canyon 8 (DC-8) Well Construction Project was the first of several that would provide critical water system redundancies and expand capacity to meet required water demand levels. The additional capacity resulting from the installation of new wells stretched local water supplies by providing the Department greater operational flexibility and by reducing the need to recharge with imported water supplies from the State Water Project.

The estimated design and construction cost for the DC-8 Well project was approximately \$2,189,760. A resolution from the Water Board was required as a part of the grant application.

SBMWD's required contribution of Non-Federal Matching Funds is 50 percent or more of the costs to complete the DC-8 project. Grants awarded through the Bureau of Reclamation Drought Response Program were competitive. To maximize chances for project selection by the Bureau, the Department was applying for both funding groups provided under the Drought Response Program.

The Bureau of Reclamation expected to contact potential award recipients and unsuccessful applicants in early 2022. If awarded this grant, SBMWD would create a Bureau of Reclamation Well Construction Project Account. Funding for the design of the DC-8 Well Project was allocated in the FY 2021-2022 Water Utility Capital Improvement Project budget.

MOTION: Adopt Resolution No. 2021-012, authorizing the General Manager to submit the application and enter into an agreement for the DC-8 Well Construction Project under the Bureau of Reclamation's WaterSMART Drought Response Program.

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

7. **AUTOMATIC ANNUAL ACQUISITION OF SERVICE CHARGE INCREASE FOR FISCAL YEAR 2022/2023:** Rule and Regulation No. 5 requires 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 shows an 8.4 percent increase for the period of September 2020 through September 2021.

Commissioner Brickley asked who would be impacted by the service charge increase within the City.

Director Miller stated that the service charge was for new services including developers, homeowners, etc.

Commissioner Brickley asked if the 8.4% was a standard increase.

Director Miller stated that it was one of the higher percentages that staff had seen in previous years.

Commissioner Hendrix asked what the increased dollar amount was per EDU.

General Manager Guerrero stated that it was approximately \$480 for a standard, single family residence connection.

Commissioner Brickley requested more information regarding the historical capacity charges and comparisons to other agencies.

A substitute Motion and Second were made to continue this item to the November 9, 2021 Water Board meeting for further discussion.

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

8. **ACCEPTANCE OF SEWER UTILITY EASEMENT FOR THE RELOCATION OF THE VALLEY TRUCK FARM LIFT STATION INTO A PORTION OF APN 0136-452-30 (EPN 2019-005):** In June 2020, CH Realty VIII/I San Bernardino Washington, L.P., a Delaware limited partnership (Developer) requested relocation of the Valley Truck Farm Lift Station and force main pipeline within Washington Avenue and the limits of their proposed development.

The old Valley Truck Farm Lift Station and force main pipeline were installed within public right-of-way. Multiple utility relocation conflicts within Washington Avenue and compliance with additional development requirements dictated the most feasible option was to relocate the lift station within a portion of the new sidewalk and APN 0136-452-30.

There was no fiscal impact to the Water Department.

MOTION: Accept the Grant of Easement from CSHV SHOW PLACE 215, LLC within a portion of APN 0136-452-30 as described in the easement documents. Staff was authorized to submit the easement documents to the General Manager for signature and the County for recordation.

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

9. **REPORT ON WATER DEPARTMENT INVESTMENTS – QUARTER ENDING SEPTEMBER 30, 2021:** Staff recommended that the Water Board receive and file the Investment Report for the quarter ending September 30, 2021. (INFORMATION ITEM ONLY)

10. REPORTS:**A. Report of the President – None.****B. Report of the Commissioners – None.****C. Report of the Directors –**

1. Director Shepardson stated that there were a few setbacks with regard to receiving quotes for the Department's liability insurance renewals due to current market conditions.

Director Shepardson stated that staff was working with the Department's broker to receive quotes by October 30, 2021 for submission to the Water Board for approval at the November 9, 2021 meeting.

2. Director Miller informed the Water Board that he virtually attended the American Water Works Association (AWWA) Annual Fall Conference on October 19-21, 2021, and that he and several staff members were planning on attending the AWWA Annual Spring Conference in Anaheim, California in April 2022.
3. Deputy General Manager Ohama thanked General Manager Guerrero for being a supportive leader with great decision-making ability and she appreciated the support to Management and employees.

D. Report of the General Manager –


1. General Manager Guerrero provided a COVID-19 update to the Water Board. San Bernardino County case rates and positivity rates continued to improve. The current case rate per 100,000 was approximately 11.4 and the current positivity rate was 3.5%.
2. General Manager Guerrero stated that the Department did not have any positive cases reported since the last Water Board meeting, but since there were three (3) significant surges monitored over the last year, the Department would continue to stay vigilant during the Fall and Winter seasons.
3. General Manager Guerrero stated that the Water Board meetings and Department staff meetings would continue to be held virtually through the end of the year.
4. General Manager Guerrero stated that the Mayor & City Council unanimously approved \$5.1 million to the lead service lateral replacement program through the ARP funds.

- 5. General Manager Guerrero stated that the new and updated Rules and Regulations for Sewer Collection became effective on October 15, 2021.

- 6. General Manager thanked the Water Board and Deputy General Manager Ohama for their support and stated that the Department had an exceptional Management team and staff.

11. ADJOURNMENT

The next regular meeting of the Water Board was scheduled for 9:30 a.m., November 9, 2021, via web-conference.

By: 

Miguel J. Guerrero, P.E.
General Manager