MINUTES
FOR THE
WATER BOARD OF THE CITY OF SAN BERNARDINO

JANUARY 14, 2020
WATER DEPARTMENT BOARD ROOM

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 14, 2020, in the Water Department Board Room, 399 Chandler Place, San Bernardino, CA 92408.

ROLL CALL

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
<th>Arrived</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cecilia &quot;Toni&quot; Callicott</td>
<td>President</td>
<td>Present</td>
<td>9:30 AM</td>
</tr>
<tr>
<td>Wayne Hendrix</td>
<td>Vice President</td>
<td>Present</td>
<td>9:30 AM</td>
</tr>
<tr>
<td>David Mlynarski</td>
<td>Board Member</td>
<td>Present</td>
<td>9:30 AM</td>
</tr>
<tr>
<td>Rikke Johnson</td>
<td>Board Member</td>
<td>Present</td>
<td>9:30 AM</td>
</tr>
<tr>
<td>Thomas Brickley</td>
<td>Board Member</td>
<td>Present</td>
<td>9:30 AM</td>
</tr>
<tr>
<td>Miguel Guerrero</td>
<td>General Manager</td>
<td>Present</td>
<td>9:30 AM</td>
</tr>
</tbody>
</table>

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 4C:

A. PAYROLL:

<table>
<thead>
<tr>
<th></th>
<th>Water Fund</th>
<th>Sewer Treatment</th>
<th>Sewer Collections</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims:290616-290824</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts</td>
<td>$2,743,123.95</td>
<td>$676,655.41</td>
<td>$149,893.40</td>
<td>$3,569,672.76</td>
</tr>
<tr>
<td>Payable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Payroll 11/11/19</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/24/19;</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/25/19-12/08/19;</td>
<td>836,718.26</td>
<td>614,071.15</td>
<td>220,159.79</td>
<td>534,992.89</td>
</tr>
<tr>
<td>12/09/19-12/22/19</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTALS</td>
<td>$3,579,842.21</td>
<td>$1,290,726.56</td>
<td>$370,053.19</td>
<td>$5,240,621.96</td>
</tr>
</tbody>
</table>

Payroll for the pay periods beginning December 9, 2019 through December 22, 2019 and December 23, 2019 through January 5, 2020.

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


RESULT: APPROVED
MOVER: W. Hendrix
SECONDER: R. Johnson
ABSTAINED: N/A
ABSENT: N/A

END OF CONSENT CALENDAR

5. MEMORANDUM OF UNDERSTANDING WITH SAN BERNARDINO COMMUNITY COLLEGE DISTRICT REGARDING WATER AND WASTEWATER CAREER PATHWAYS PROGRAM: In collaboration with San Bernardino Valley College (SBVC), the Department established an Operator-in-Training (OIT) Program over a decade ago to train and evaluate future wastewater operators. The OIT Program served as a reliable avenue for operator hires, as it provided an opportunity to directly train and evaluate potential Department operators.

The Department met with SBVC to discuss expanding collaborative efforts beyond wastewater and into the potable water field and other areas such as mechanical, electrical and controls systems. As a result of these discussions, a memorandum of understanding (MOU) was developed and was reviewed by the Department’s legal counsel for approval by the Water Board.
There was no fiscal impact at this point. If necessary, future MOU related expenses would be presented to the Board for review and approval.

Melita Caldwell-Betties and Peggy Weber of SBVC were in attendance and expressed that SBVC was excited to be collaborating with the Department and solidifying the partnership between the two entities.

General Manager Guerrero stated that the MOU would solidify the partnership that has been created between the Department and SBVC, which would allow students to gain valuable work experience as well as earn course credit.

Commissioner Johnson stated he liked that these opportunities would create a pipeline for students at SBVC to obtain training in the water/wastewater industry.

**MOTION:** Approve a Memorandum of Understanding between the Water Department and the San Bernardino Community College District regarding a Water and Wastewater Career Pathways Program. The General Manager was authorized to execute the MOU.

| RESULT: | APPROVED |
| MOVER: | T. Brickley |
| SECONDER: | D. Mlynarski |
| ABSTAINED: | N/A |
| ABSENT: | N/A |

### PUBLIC HEARING

6. **PUBLIC HEARING AND ADOPTION OF UPDATED FEES AND CHARGES RESULTING FROM COST OF SERVICES STUDY:** In February 2019, the Department contracted with Revenue & Cost Specialists, LLC (Consultant) to conduct a study to update the cost of various services provided by the Department. Best practice for the Department was to periodically review these costs and fees to ensure the Department was adequately recovering costs incurred for providing various services.

A proposed schedule of fees was developed and was presented in the Cost of Services Study for the City of San Bernardino Municipal Water Department. The fee study considered the Department’s actual costs, including labor, O&M and overhead to determine the amount to recover for providing a service. Adoption of the recommendations in the report would provide equity between ratepayers and fee-payers, eliminating subsidizing for services that may only benefit an individual customer.

The Notice of a Public Hearing was listed in local newspapers for public viewing for a period of fourteen (14) days before the Public Hearing.
The Water Board President opened the public hearing.

Commissioner Mlynarski suggested the Department inform affected customers of the fee changes by mailers, phone calls, etc., in order to give individuals and or other entities a chance to provide comments to the fee study.

Commissioner Brickley stated he would like see the public receive some notice in order to adjust any budgets that may be affected by the proposed new fees.

Commissioner Johnson asked how often staff reviews the costs listed in the fee study.

Director Mouser stated that the fees should be reviewed every five (5) years.

Commissioner Mlynarski made a motion to continue the Public Hearing to the February 25, 2020 Water Board meeting in order to give Department staff ample time to prepare and distribute notices for the public.

MOTION: Continue the Public Hearing and Adoption of Updated Fees and Charges Resulting from Cost of Services Study to the February 25, 2020 Water Board Regular Meeting.

RESULT: APPROVED
MOVER: D. Mlynarski
SECONDER: R. Johnson
ABSTAINED: N/A
ABSENT: N/A

7. APPROVAL OF MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE SAN BERNARDINO MUNICIPAL WATER DEPARTMENT AND WESTECH FOR DIGESTER GAS HOLDER PRESELECTION, AS PART OF RULE 1110.2 RESULTANT PROJECTS (SPECIFICATION NO. 1714): The Department’s Water Reclamation Plant (WRP) generated Digester Gas (DG) to be beneficially used in the facility under the regulations of South Coast Air Quality Management District (SCAQMD) Rule 1110.2, regulating emissions from gaseous and liquid-fueled engines, and Rule 1118.1 regulating emissions from non-refinery flares. The Department embarked upon an ambitious program to achieve compliance with the SCAQMD Rules 1110.2 and 1118.1.

The Department evaluated and determined that a number of projects were necessary to comply with the rules. These projects were referred to as the “Rule 1110.2 Resultant Projects.” On December 20, 2018, the SCAQMD granted a Regular Variance to the Department to continue operating its DG-fueled engines while the DGBU Program was completed.

In order to comply with certain conditions and increments of progress, and to expedite the design and construction of these Rule 1110.2 projects, the Department directed Hazen and Sawyer (Hazen) to prepare preselection RFP’s for these three
pieces of equipment. In September 2019, SBMWD solicited and received two RFP’s for preselecting a new dual membrane digester gas (DG) storage system manufacturer from WesTech and Evoqua. It was determined that WesTech was the highest ranked manufacturer and offered the best value.

All direct costs attributed to the procurement of the new DG Holder would be paid to a future General Contractor as part of the Rule 1110.2 Resultant Projects. The only direct costs would be for development of the early shop drawings, should the Department not proceed with the Rule 1110.2 Resultant Projects. In the event of the latter circumstance, CO 00201, Digester Gas Holder Project, had an unencumbered balance of $2,647,850.00.

Commissioner Mlynarski commended Director Stewart for all of his hard work on these projects.

MOTION: Approve the Memorandum of Understanding (MOU) with WesTech for preselection of DG Holder. The General Manager was authorized to execute the MOU.

RESULT: APPROVED
MOVER: W. Hendrix
SECONDER: R. Johnson
ABSTAINED: N/A
ABSENT: N/A

8. 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 2019 through December 2019. (INFORMATION ITEM ONLY)

REPORTS

9. REPORTS:

A. Report of the President: None.

B. Report of the Commissioners:

Commissioner Mlynarski announced that a Water Facility Relocation Ad-Hoc Committee meeting would be held after the Water Board meeting.

Commissioner Johnson stated that he had a nice time meeting with fellow commissioners and elected officials at the Commissioners Appreciation Dinner held on January 9, 2020.
C. Report of the Directors:

1. Director Shepardson reported that the Department was on schedule with the Diesel Replacement Quarterly Reporting requirement along with the Rule 1110.2 Engine Report. Both reports were being submitted on January 14, 2020.

Director Shepardson reported that her section was in the process renewing the Department's geothermal permit and finalizing items on the Laboratory Services contract.

2. Director Miller thanked Warren Huang, Ted Brunson, and the entire Engineering staff for all of their hard work on a variety of projects across the Department.

3. Deputy General Manager Ohama reported that the Information Technology section has been vigilantly working on cyber security scenarios and also collaborating with the Safety division on a cyber security policy for the Department.

D. Report of the General Manager:

1. General Manager Guerrero reported that he and Russ Randle were attending the Mayor and City Council meeting on January 15, 2020. The Department will have one item regarding the Consent Decree in Closed Session and the CAFR (Financial Audit) will be on the Consent Calendar as a receive and file.

General Manager Guerrero reported that the Department was in the process of setting up a meeting with the City's Community Development Department and legal counsel to discuss a Draft RFP for the Sterling/3rd Street property.

10. ADJOURNMENT

The meeting adjourned at 10:34 AM

The next Regular Meeting of the Water Board will be held on Tuesday, January 28, 2020, at 9:30 AM in the Margaret H. Chandler Water Reclamation Plant Conference Room, 399 Chandler Place, San Bernardino, California, 92408.

By: [Signature]
Miguel J. Guerrero, P.E.
General Manager