MINUTES
FOR THE
WATER BOARD OF THE CITY OF SAN BERNARDINO

JANUARY 28, 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 28, 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>Absent</td>
<td>N/A</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 4D:

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:</td>
<td>$592,444.61</td>
<td>$370,883.27</td>
<td>$132,332.64</td>
<td>$1,095,660.52</td>
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<tr>
<td>Accounts Payable</td>
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<td></td>
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<tr>
<td>Gross Payroll</td>
<td>$271,670.49</td>
<td>$213,135.60</td>
<td>$73,501.23</td>
<td>$558,307.32</td>
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<tr>
<td>12/23/19-01/05/20</td>
<td></td>
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</tr>
<tr>
<td>TOTALS</td>
<td>$864,115.10</td>
<td>$584,018.87</td>
<td>$205,833.87</td>
<td>$1,653,967.84</td>
</tr>
</tbody>
</table>


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


D. NOTICE OF COMPLETION – CONTRACT NO. 1706–WATER QUALITY SAMPLE STANDS REPLACEMENT PHASE IV PROJECT (CO 10886): The contract work performed by ATOM Engineering Construction, Inc. for the Water Quality Sample Stands Replacement Phase IV Project was completed and final inspection by staff was made.

MOTION: Approve the Final Acceptance date of January 10, 2020, for the Water Quality Sample Stands Replacement Phase IV Project. Staff was directed to file a Notice of Completion and release the retention in accordance with Contract No. 1706, as submitted.

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

END OF CONSENT CALENDAR

5. REQUEST FOR PROPOSALS FOR SHORT-TERM LEASE OF THIRD STREET PROPERTY (APN 1192-231-01 AND APN 1192-241-01): The Department acquired the 3rd Street Property in April 2019. On May 7, 2019, the Department received a letter from Frontier Enterprises expressing interest in the 3rd Street Property and requesting an exclusive right to negotiate.
At its June 25, 2019, regular meeting, the Water Board denied this request from Frontier and decided to hold the property with the consensus being that current activity in and around the airport would appreciate the value of the property. The Board also expressed interest in leasing the property to retain ownership and control of the site while providing an ongoing revenue stream.

Department staff, in conjunction with legal counsel and City Real Property staff, were developing a request for proposal (RFP) for short-term lease of the 3rd Street Property. Board comments and direction and additional discussions with City staff and legal counsel would lead to the final RFP.

The appraised lease and sale market values, as detailed in a May 2019 appraisal report, were $296,205 per year and $5,642,000, respectively. Annual maintenance of the property was estimated at $5,000. Leasing the property may eliminate maintenance cost, and a lease would provide an ongoing revenue that would benefit the Wastewater Treatment Enterprise Fund.

Commissioner Hendrix asked General Manager Guerrero to define “short-term lease.”

General Manager Guerrero stated that a short-term lease was defined in the RFP as a five (5) year lease to start with two (2) five (5) year renewal options.

General Manager Guerrero stated that the Department was meeting with the City’s Community Development Department to discuss what the process and/or requirements are with this type of property.

President Callicott stated that the Board has to keep in mind that the reason why we have this property was to offset the financial impact which was the result of the settlement agreement with Valley District and East Valley.

Commissioner Mlynarski asked if the Department talked with the City’s Community Development section about the 6th Street corridor plan that they were working on with the San Manuel Band of Mission Indians and other property owners. He was curious to know if the Department’s property falls within that jurisdiction because that could influence the use and success of the property.

General Manager Guerrero stated that he would discuss this plan with the Director of Community Development when the Department meets to discuss the RFP.

MOTION: Direct staff to finalize and issue a Request for Proposals for the short-term ground lease of the Third Street Property (APN 1192-231-01 and APN 1192-241-01).
RESULT: APPROVED
MOVER: W. Hendrix
SECONDER: R. Johnson
ABSTAINED: N/A
ABSENT: N/A

6. APPROVAL OF MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE SAN BERNARDINO MUNICIPAL WATER DEPARTMENT AND JOHN ZINK COMPANY, LLC FOR ULE FLARE PRESELECTION, AS PART OF RULE 1110.2 RESULTANT PROJECTS (SPECIFICATION NO. 1715): The Department's Water Reclamation Plant (WRP) generates 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, which was referred as the "Rule 1110.2 Resultant Projects." The Department retained Hazen and Sawyer (Hazen) for the final design of the Rule 1110.2 Resultant Projects and the Low Emissions Flare Replacement Project in November 2018.

The Department directed Hazen to prepare preselection RFP's for these three pieces of equipment. In October 2019, SBMWD solicited and received one proposal (prior to the proposal deadline) for preselecting a new ULE flare system manufacturer from John Zink Company, LLC (John Zink). Based upon staff's review of the RFP response and the revised proposal, staff recommended that the pre-selection of the ULE flare be awarded to John Zink.

All direct costs attributed to the procurement of the new ULE flare would be paid by a future General Contractor as part of the Rule 1110.2 Resultant Projects. The only direct cost that was attributed to this MOU was early shop drawings development costs. CO 00199, Flare Replacement Project, had an unencumbered balance of $3,062,548.

MOTION: Approve the Memorandum of Understanding (MOU) with John Zink for preselection of ULE flare. The General Manager was authorized to execute the MOU.

RESULT: APPROVED
MOVER: D. Mlynarski
SECONDER: W. Hendrix
ABSTAINED: N/A
ABSENT: N/A
7. QUARTERLY CHANGE ORDER REPORT – QUARTER ENDING ON DECEMBER 31, 2019: In accordance with Policy 51.020, staff prepared the change order report for the quarter ending December 31, 2019. (INFORMATION ITEM ONLY)

8. QUARTERLY CONSERVATION MONITORING REPORT – OCTOBER/NOVEMBER/DECEMBER 2019: This report continued to monitor and track the effects of the prolonged drought by monitoring groundwater levels in select wells located in the Department’s service area. The quarterly report provided valuable data needed to contemplate important policy decisions related to Water Supply Shortage Stages outlined in Rule and Regulation No. 21. (INFORMATION ITEM ONLY)

9. PRESENTATION OF SERVICE AWARDS: Employee service awards were presented acknowledging employees for their years of service to the Department.

   15 Years

   Michael Mayberry

   10 Years

   Diego Ortiz
   Phillip Rivas

   5 Years

   Laura Deleon

President Callicott called for a 5-minute break at 10:09 a.m.

President Callicott called the meeting back in session at 10:14 a.m.

REPORTS

10. REPORTS:

A. Report of the President: None.

B. Report of the Commissioners: Commissioners Johnson stated that he believed more career pathway partnerships with surrounding water utility agencies would benefit the public and asked if the Department was partnering with local water agencies. He stated that the President of West Valley Water District mentioned the Department’s partnership with San Bernardino Valley College during an event he attended.

General Manager Guerrero stated that East Valley Water District (EVWD) partners with the San Bernardino County Superintendents of Schools in an annual career pathways program and the Department is working with EVWD to attend this year’s program.
Commissioner Johnson stated that the more outreach there is the more aware of employment opportunities in the water/wastewater industry.

C. Report of the Directors:

1. Director Stewart reported that the Department was speaking to Colton Electric Utility, who is part of the City of Colton which jointly owns the RIX property through the JPA and is interested in investigating the possibility of leasing the RIXES property around the wells for use as space for solar power-generating equipment (2-3MW).

2. Deputy General Manager Ohama reported that staff will be updating the final set of policies and procedures and will be bringing them forward for Board approval at future meetings.

D. Report of the General Manager:

1. General Manager Guerrero reported that the CAFR (Financial Audit) and one item regarding the Consent Decree in Closed Session was approved at the Mayor and City Council meeting on January 15, 2020.

2. General Manager Guerrero reported that the Cost of Service Study Public Hearing that was continued to the February 25, 2020 Water Board meeting will be continued to the first meeting in March in order to provide extra time for review and comments from the public.

3. General Manager Guerrero informed the Water Board that he would be out of the office on vacation starting February 11, returning February 19. While out of the office he would be available via phone and email.

11. **PUBLIC COMMENT ON CLOSED SESSION ITEMS:** A three-minute limitation shall apply to each member of the public who wishes to address the Water Board. No member of the public shall be permitted to "share" his or her three minutes with any other member of the public.

12. **CLOSED SESSION:**

Pursuant to Government Code Section(s):

A. Conference with legal counsel – anticipated litigation – significant exposure to litigation pursuant to Government Code Section 54956.9 (d) (2): One Case.

   No reportable action was taken.

13. **ADJOURNMENT**

The meeting adjourned at 10:34 AM
The next Regular Meeting of the Water Board will be held on Tuesday, **February 11, 2020, at 9:30 AM in the Margaret H. Chandler Water Reclamation Plant Conference Room**, 399 Chandler Place, San Bernardino, California, 92408.

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