



**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

JULY 25, 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, July 25, 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 | Absent | N/A |
| David Mlynarski | Board Member | Present | 9:30 AM |
| Rikke Johnson | Board Member | Absent | N/A |
| Thomas Brickley | Board Member | Present | 9:30 AM |
| Miguel Guerrero | General Manager | Present | 9:30 AM |

- ANNOUNCEMENTS BY THE BOARD:** President Callicott welcomed San Bernardino Council Member Figueroa, Valley District Board Director Longville, Valley District Board Director Botello, and Heather Dyer, Valley District's General Manager, to the Water Board meeting.
- PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA:** There was one public comment sent via e-mail that was reviewed and entered into the record. A copy of the comment was made available to the public.
- 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>Total</u> |
|------------------------------------|------------------------------|----------------------------|------------------------------|
| Claims:3004351- 3004376 | | | |
| Accounts Payable | \$1,237,939.90 | \$436,243.74 | \$1,674,183.64 |
| Gross Payroll 06/19/23-07/02/23 | <u>\$345,423.69</u> | <u>\$327,483.11</u> | <u>\$672,906.80</u> |
| TOTALS | <u>\$1,583,363.59</u> | <u>\$763,726.85</u> | <u>\$2,347,090.44</u> |

Payroll for the pay period beginning July 17, 2023 through July 30, 2023.

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

C. MINUTES: July 11, 2023.

| | |
|-------------------|---|
| RESULT: | APPROVED 3-0 BY ROLL CALL VOTE WITH 2 ABSENT |
| MOVER: | D. Mlynarski |
| SECONDER: | T. Brickley |
| ABSTAINED: | N/A |
| ABSENT: | W. Hendrix; R. Johnson |

DISCUSSION ITEMS

- 5. DEMAND MANAGEMENT INCENTIVE PROGRAM CHECK PRESENTATION:** San Bernardino Valley Municipal Water District (Valley District) presented a check in the amount of \$267,360.07 for the Water Department's participation in Valley District's Demand Management Incentive Program.

General Manager Dyer gave a brief summary of the Demand Management Incentive Program and presented President Callicott and the Water Board with an incentive check in the amount of \$267,360.07.

Council Member Figueroa, Council Member Alexander, Valley District Board Member Longville, Valley District Board Member Botello, Valley District General Manager Dyer, and Valley District staff, were in attendance. (PRESENTATION ONLY – NO BACK-UP).

A brief recess was called by President Callicott at 9:39 a.m.

The meeting was called to order by President Callicott at 9:44 a.m.

6. **PROPERTY INSURANCE RENEWAL – FISCAL YEAR (FY) 2023/2024:** On July 31, 2023, the Department needed to renew its property insurance coverage for fiscal year 2023/24 covering approximately \$464,645,659 in water, wastewater treatment, and sewer collection system real and personal property.

The renewal carried an annual premium of \$1,011,114, which was an increase in total costs of approximately 16.2% over fiscal year 2022/2023. Staff anticipated an increase in premiums over fiscal year 2022/2023 due to claim exposure, overall property coverage market conditions and an increase in insurable assets in the amount of \$23,987,584. Staff budgeted adequately over fiscal year 2022/2023 to cover this 16.2% premium increase.

Funds were budgeted in fiscal year 2023/24 to cover \$400,000,000 in property, and \$25,000,000 in earthquake coverage.

Water Department staff continued to work with Marsh Risk & Insurance Services (Marsh) to find the most appropriate insurance coverage strategy for Department property. Marsh requested coverage quotes from insurers based on the Department's overall asset values and claim history.

MOTION: Approve the annual property insurance including earthquake coverage renewal premium in the amount of \$1,209,566 for fiscal year 2023/2024; and

The General Manager was authorized to bind the renewal policies effective July 31, 2023.

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|-------------------|---|
| RESULT: | APPROVED 3-0 BY ROLL CALL VOTE WITH 2 ABSENT |
| MOVER: | T. Brickley |
| SECONDER: | D. Mlynarski |
| ABSTAINED: | N/A |
| ABSENT: | W. Hendrix; R. Johnson |

7. **RATIFY EXTENSION NO. 3 TO CONTRACT NO. 1708 – CONTRACT FOR MAINTENANCE, BEAUTIFICATION, AND REPAIR ASSOCIATED WITH THE LANDSCAPING OF THE SBMWD PROPERTIES - Z & T VENTURES, INC., DBA SERVICE SCAPE:** The Water Board entered into a two-year contract, Contract No. 1708, with Z&T Ventures, Inc., dba Service Scape (Service Scape), to Furnish Maintenance, Beautification, and Repair Services Associated with the Landscaping of the SBMWD Properties. This contract had a provision for three (3) additional one (1) year extensions. Extension No. 2 expired on June 1, 2023.

Service Scape agreed to extend the contract for one (1) year and requested an increase of 5.0% to their annual cost. Staff conducted Consumer Price Index (CPI) research for the years subsequent to contract execution and as a result, recommended approval of Service Scape's cost increase of \$3,606.49 for the year. The total annual cost of the contract was \$75,736.26.

The funding source for this contract was the FY 2023/2024 Operations and Maintenance budget; the sites individually would charge monthly maintenance to their operations and maintenance accounts. There were sufficient funds to cover the contract extension including the increase.

Director Mouser stated that the dollar amounts for this item were mistakenly calculated for two (2) years instead of one (1) year. The calculations for one (1) year were updated and were revised in the Minutes.

MOTION: Ratify Extension No. 3 to Contract No. 1708 with Z&T Ventures, Inc., dba Service Scape, extending the contract from June 1, 2023 to June 1, 2024, with a cost increase of \$3,606.49 for the year with all other terms and conditions remaining the same. The General Manager was authorized to execute the extension.

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|-------------------|---|
| RESULT: | APPROVED 3-0 BY ROLL CALL VOTE WITH 2 ABSENT |
| MOVER: | T. Brickley |
| SECONDER: | D. Mlynarski |
| ABSTAINED: | N/A |
| ABSENT: | W. Hendrix; R. Johnson |

8. REPORTS:

A. Report of the President – President Callicott stated that she appreciated Devin Arciniega and Valley District staff for their hard work and that it was a pleasure collaborating on a variety of programs with Valley District's Board members, management, and staff.

B. Report of the Commissioners –

1. Commissioner Brickley stated that the public comment should be researched and an update given to the Water Board.

General Manager Guerrero stated that the Department was working with the City and measures were already being taken to clear the Perris Hill area.

2. Commissioner Mlynarski thanked General Manager Guerrero and Devin Arciniega for their work with the Housing Authority and for being instrumental with their involvement and support on the Arrowhead Grove Project.

C. Report of the Directors –

1. Director Miller reported that the water system was in good condition, even with the extreme weather conditions, and thanked Water Utility staff for all of their efforts.

2. Director Stewart stated that the Biosolids Strategic Plan 2023 Update was underway and staff toured several different facilities in order to discovery innovative ways to begin a regional approach.
3. Director Stewart stated that construction commenced on the Tertiary Treatment System and the Sludge Drying Bed concrete.
4. Director Mouser reported that the Department was utilizing a new financial software that was highlighted the Department's Strategic Plan.
5. Director Shepardson stated staff began its data exploration on ten (10) liability policies which would be presented to the Water Board in October 2023.

Commissioner Brickley asked if staff was exploring partnerships with regional water agencies for its liability needs.

Director Shepardson stated that staff was researching groups but some structures depend on acceptance of the group, which may be difficult due to the number of claims paid by the Department.

6. Deputy General Manager Ohama stated that the first Labor Management Committee meeting between IBEW and management was held on Monday, July 24, 2023.
7. Deputy General Manager Ohama stated that Devin Arciniega had a very diverse position and thanked her for being the face of the Department at neighborhood meeting, public events, etc.

Deputy General Manager Ohama stated that Devin Arciniega would be attending National Night Out on August 1, 2023.

D. Report of the General Manager –

1. General Manager Guerrero reported that he attended the Verdemont Neighborhood Association meeting on Wednesday, July 12, 2023 with Devin Arciniega.
2. General Manager Guerrero reported that staff was working with the City in organizing a One-Stop Shop which would streamline development processing.

General Manager Guerrero stated that the City would be presenting the One-Stop Shop process to the Northpark Neighborhood Association (NNA) meeting on Thursday, July 27, 2023.

General Manager Guerrero stated that Ted Brunson, Development Services Manager, would be representing the Department at the NNA meeting.

3. General Manager Guerrero reported that the Mayor & City Council approved Premium Pay for all City and Water Department employees that worked during the COVID-19 pandemic at its July 19, 2023 meeting.

Commissioner Brickley asked for an explanation of the terms for the Premium Pay.

General Manager Guerrero stated that the Premium Pay would be disbursed from the American Rescue Plan Act (ARPA) funds.

General Manager Guerrero stated that full-time employees would receive a one-time payment in the amount of \$5,000.00 and part-time employees would receive a one-time payment in the amount of \$2,500.00.

9. **PUBLIC COMMENT ON CLOSED SESSION ITEMS:** None.

10. **CLOSED SESSION:**

Pursuant to Government Code Section(s):

- A. Conference with legal counsel – existing litigation – pursuant to Government Code Section 54956.9(a) and (d)(1): Claim #CSBY-10260, *Vejar, Veronica*.

No reportable action was taken.

11. **ADJOURNMENT:**

The next regular meeting of the Water Board was scheduled for 9:30 a.m., August 8, 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