



**SPECIAL NOTICE REGARDING
CORONAVIRUS DISEASE 2019 (COVID-19)
AND PARTICIPATION IN PUBLIC MEETINGS**

On March 4, 2020, Governor Newsom declared a State of Emergency resulting from the threat of COVID-19. On September 16, 2021, Governor Newsom signed Assembly Bill No. 361 into law. Assembly Bill No. 361 amends Government Code section 54953(e) by adding provisions for remote teleconferencing participation in meetings by members of a legislative body, without the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions. The San Bernardino Valley Municipal Water District adopted a resolution determining, by majority vote, that, as a result of the declared State of Emergency, a meeting in person would present imminent risks to the health or safety of attendees. Accordingly, it has been determined that all Board and Workshop meetings of the San Bernardino Valley Municipal Water District will be held pursuant to the Brown Act and will be conducted via teleconference. There will be no public access to the meeting venue.

REGULAR MEETING OF THE BOARD OF DIRECTORS
TUESDAY, JUNE 7, 2022 – 2:00 P.M.

PUBLIC PARTICIPATION

Public participation is welcome and encouraged. You may participate in the June 7, 2022, meeting of the San Bernardino Valley Municipal Water District online and by telephone as follows:

Dial-in Info: (877) 853 5247 US Toll-free

Meeting ID: 684 456 030

PASSCODE: 3802020

<https://sbvmwd.zoom.us/j/684456030>

If you are unable to participate online or by telephone, you may also submit your comments and questions in writing for the District's consideration by sending them to comments@sbvmwd.com with the subject line "Public Comment Item #" (insert the agenda item number relevant to your comment) or "Public Comment Non-Agenda Item". Submit your written comments by 6:00 p.m. on Monday, June 6, 2022. All public comments will be provided to the President and may be read into the record or compiled as part of the record.

IMPORTANT PRIVACY NOTE: Participation in the meeting via the Zoom app is strongly encouraged. Online participants MUST log in with a Zoom account. The Zoom app is a free download. Please keep in mind: (1) This is a public meeting; as such, the virtual meeting information is published on the World Wide Web and available to everyone. (2) Should you participate remotely via telephone, your telephone number will be your "identifier" during the meeting and available to all meeting participants; there is no way to protect your privacy if you elect to call in to the meeting.



SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
380 E. Vanderbilt Way, San Bernardino, CA 92408

REGULAR MEETING OF THE BOARD OF DIRECTORS

AGENDA

2:00 PM Tuesday, June 7, 2022

CALL TO ORDER/PLEDGE OF ALLEGIANCE/ROLL CALL

1) PUBLIC COMMENT

Any person may address the Board on matters within its jurisdiction.

2) APPROVAL OF MINUTES

2.1 May 17, 2022, Meeting(Page 4)
[BOD Minutes 051722](#)

3) DISCUSSION AND POSSIBLE ACTION ITEMS

3.1 Consider Approval of Resolution 1154 Establishing the Appropriation Subject to Limit for Fiscal Year 2022-23(Page 15)
[Staff Memo - Consider Resolution 1154 Establishing the Appropriation Subject to Limit for Fiscal Year 2022-23](#)
[Resolution 1154 Establishing the Appropriations Subject to Limit for Fiscal Year 2022-2023 Appropriations Limit calculations for Fiscal Year 2022-2023](#)

3.2 Consider authorizing the CEO/General Manager to execute the Third Amendment to the Agreement for the Cooperative Use of Unused Well Capacity, the Texas Grove Reservoir and the Central Feeder(Page 19)
[Staff Memo - Consider authorizing the CEO/General Manager to execute the Third Amendment to the Agreement for the Cooperative Use of Unused Well Capacity, the Texas Grove Reservoir and the Central Feeder](#)
[Third Amendment to the Agreement for the Cooperative Use of Unused Well Capacity, the Texas Grove Reservoir and the Central Feeder](#)

3.3 Consider In-Person meetings or alternatively Resolution 1155 authorizing the San Bernardino Valley Municipal Water District to conduct remote meetings for the period June 7, 2022, through July 6, 2022(Page 33)

Staff Memo - Consider In-Person meetings or alternatively Resolution 1155 authorizing the San Bernardino Valley Municipal Water District to conduct remote meetings for the period June 7, 2022, through July 6, 2022
Resolution 1155

4) REPORTS (Discussion and Possible Action)

- 4.1 CEO/General Manager's Report(Page 38)
[Staff Memo - CEO/General Manager's Report](#)
- 4.2 Director's Report of Activities
- 4.3 General Counsel Report
- 4.4 SAWPA Meeting Report
- 4.5 Board of Directors Workshop - Engineering - May 10, 2022 (Page 42)
[Summary Notes BOD Workshop - Engineering 051022](#)
- 4.6 Board of Directors Workshop - Policy - May 12, 2022 (Page 50)
[Summary Notes BOD Workshop - Policy 051222](#)

5) FUTURE BUSINESS

6) ANNOUNCEMENTS

- 6.1 List of Announcements(Page 56)
[List of Announcements 060722](#)

7) CLOSED SESSION

- 7.1 Closed Session -Conference with Legal Counsel - Existing Litigation - (Paragraph (1) of subdivision (d) of Section 54956.9) Name of case: Endangered Habitats League et al. v. U.S. Army Corps of Engineers et al.
- 7.2 CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: One case.
Rialto Bioenergy Facility's use of the SAWPA Brine Line and construction of a new lateral connection to the Brine Line.
- 7.3 CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: One case.

8) ADJOURNMENT

PLEASE NOTE:

Materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the District's office located at 380 E. Vanderbilt Way, San Bernardino, during normal business hours. Also, such documents are available on the District's website at www.sbvmd.com subject to staff's ability to post the documents before the meeting. The District recognizes its obligation to provide equal access to those individuals with disabilities. Please contact Melissa Zoba at (909) 387-9228 two working days prior to the meeting with any special requests for reasonable accommodation.

**MINUTES
OF
THE
REGULAR BOARD MEETING
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT**

May 17, 2022

Directors Present: Gil J. Botello, T. Milford Harrison, June Hayes, Susan Longville, and Paul R. Kielhold

Directors Absent: None.

Staff Present:

Heather Dyer, MS, MBA – Chief Executive Officer/General Manager
 Joanna Gibson, MS – Executive Director Upper SAR Habitat Conservation Program
 Wen Huang, PE, MS – Deputy General Manager / Chief Engineer
 Jose Macedo, ML, CPT-P (USA Retired) – Chief of Staff/Clerk of the Board
 Cindy Saks, CPA – Deputy General Manager/Chief Financial Officer
 Bob Tincher, PE, MS – Deputy General Manager/Chief Water Resources Officer
 Melissa Zoba, MBA, MPA – Chief Information Officer

Anthony Flordelis – Business Systems Analyst
 Matthew E. Howard, MS – Water Resources Senior Planner
 Adekunle Ojo, MPA – Water Resources Manager
 Karen Resendez, MA - Human Resources/Risk Manager
 Shavonne Turner, MPA – Water Conservation Program Manager

Olivia Ramirez – SBVMWD Intern, Water Resources Dept.

Bradley Neufeld, Varner & Brandt, District Counsel
 Megan Somogyi, Downey Brand

Members of the Public in Attendance:

Allen Bartleman
 Melody McDonald, San Bernardino Valley Water Conservation District
 Nyles O’Harra, Yucaipa Valley Water District
 Allison Edmisten, Yucaipa Valley Water District
 Jennifer Ares, Yucaipa Valley Water District
 Joseph Zoba, Yucaipa Valley Water District

George Hanson, Bear Valley Mutual Water Company
 Benjamin Kelly, Western Heights Water District
 Brian Dickinson, City of Colton
 Lora Carpenter, Fieldman, Rolapp & Associates

Robert Porr, Fieldman, Rolapp & Associates
Sam Fuller, Bear Valley Mutual Water Company

The regular meeting of the Board of Directors was called to order by President Kielhold at 2:00 p.m. Vice President Hayes led the Pledge of Allegiance. A quorum was noted present by roll call.

Agenda Item 1. Public Comment

Mr. Allen Bartleman, resident of the City of San Bernardino since 1970 introduced himself and thanked the Board for its work toward sustainable water supply. He provided information on the residence of Director Gil J. Botello and requested the Board increase Director Botello's stipend.

Audience attendance will be recorded in the minutes based on registration information generated in the teleconference or by stating their name during this time.

Agenda Item 2. Approval of Minutes of the April 19, 2022, Board Meeting.

The minutes of the April 19, 2022 Regular Board meeting were approved by the following roll-call vote:

MOVED: Longville	SECONDED: Harrison	APPROVED: 5-0
AYES:	Botello, Harrison, Hayes, Longville, Kielhold	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

Agenda Item 3. Discussion and Possible Action Items.

3.1) Consider authorizing the CEO/General Manager to execute Amendment No.1 with Rincon Consultants, Inc. for Climate Adaptation and Resilience Plan (CARP). Chief Executive Officer / General Manager Heather Dyer reminded the Board of discussion at the April 14, 2022 Policy Workshop.

The proposed amendment in the amount of \$12,287, would facilitate expanding the stakeholder engagement scope to include additional hours for small group discussions and interviews to facilitate more in-depth understanding of the priorities of both the Board and key stakeholders in advance of the goal-setting process. It would also create a project webpage to provide information, allow feedback from the public, members, and other

stakeholders, provide transparency, and house project materials and draft plans, she noted.

The current contract amount with Rincon Consultants for the CARP is in the amount of \$300,883; with this 4.08 percent increase the total contract amount would be \$313,170. The funds are available in the general fund budget, she stated.

Director Botello advised that he had a conversation with the consultant and suggested strengthening social media outreach.

The Board of Directors authorized the CEO/General Manager to execute a \$12,287 contract amendment with Rincon Consultants, Inc. for expanded outreach related to the development and preparation of the Climate Adaptation and Resilience Plan by the following roll-call vote:

MOVED: Hayes	SECONDED: Longville	APPROVED: 5-0
AYES:	Botello, Harrison, Hayes, Kielhold, Longville	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

3.2) Consider the 2022 Water Supply Contingency Program to Meet the Bear Valley Mutual Water Company In-Lieu Water Demand. Chief Executive Officer / General Manager Heather Dyer explained Valley District is required to provide up to 8,616 acre-feet (af) per year of water according to the 1996 agreement between Valley District and the Big Bear Municipal Water District (BBMWD), “in-lieu” of having BBMWD release water from Big Bear Lake. In years of low State Water Project (SWP) allocation availability, staff is requesting the Board authorize a budget of up to \$1,040,000 for funding groundwater production from wells, and \$210,000 for rehab of wells that may be used to provide in-lieu water this year and into the future.

Bear Valley Mutual Water Company (BVMWC) is requesting up to 8,616 af per the agreement. Up to 7,100 af can be pumped from groundwater at a cost of \$1,040,000, Ms. Dyer explained. Rehabilitation of the Nelson well would be a 50 percent cost share with BVMWC up to \$210,000. She reminded the Board of a similar arrangement last year that worked well. The cost is funded by the \$1.7 million paid by BVMWC every year, she noted.

The Board of Directors authorized a budgetary amount of \$1,250,000 to be used at the discretion of the CEO/General Manager for developing alternative groundwater sources to meet the District’s 2022 In-Lieu Program objectives by the following roll-call vote:

MOVED: Harrison	SECONDED: Botello	APPROVED: 5-0
AYES:	Botello, Harrison, Hayes, Kielhold, Longville	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

3.3) Consider authorizing CEO/General Manager to execute the First Amendment of Easement for the Foothill Pipeline at 7415 Via Deldene in the City of Highland.

Chief Executive Officer / General Manager Heather Dyer explained the owners have requested the Board consider updating the easement that runs through their property. As heard at the Workshop on May 10, the owners are building a unit behind their house. She reviewed the plot plan and pointed to the areas of overhang that fall within the pipeline easement. There are no actual building structures on the easement, she noted.

In the event the District needs to perform work on the pipeline within this location, those facilities would have to come down, Ms. Dyer explained. Deputy General Manager / Chief Engineer Wen Huang and his team have been working with the property owners for quite some time, and house counsel Varner Brandt developed the amendment, she noted.

There will be minimal cost to the District if it was necessary to take down the patio overhangs and the post while doing work in the easement, and any reconstruction costs would be borne by the property owner.

Director Harrison posited it is good for the District to help someone further utilize their property, particularly when the right-of-way has such an impact.

President Kielhold said he appreciated staff’s efforts in making the situation work for both the District and the property owner. He noted that the structural improvements do not impinge on District facilities and do not make working on the facilities difficult.

Director Longville said she felt good about the ability to work with this easement and reminded of past attempts that were unable to reach agreement.

The Board of Directors authorized the CEO/General Manager to execute the first amendment to easement for the Foothill Pipeline at 7415 Via Deldene in the City of Highland by the following roll-call vote:

MOVED: Hayes	SECONDED: Harrison	APPROVED: 5-0
AYES:	Botello, Harrison, Hayes, Kielhold, Longville	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

3.4) Consider Approval of Resolution No. 1152 Authorizing Submission of a Water Infrastructure Finance and Innovation Act (WIFIA) Loan Application. CEO / General Manager Heather Dyer described WIFIA and its benefits. It is an advantageous way to be able to finance water projects and for partner agencies to finance project costs over time and build that into their rate structure, she said.

In December 2021, Valley District was invited to submit a loan application and is nearly ready to do so, jointly provided with Yucaipa Valley Water District (YVWD), Ms. Dyer stated. The District is seeking up to \$61.8 million toward \$231 million in capital projects for the region. The loan can be combined with other federal funding such as the \$3.5 million grant for the Enhanced Recharge Project for stormwater capture.

Requested action today is approval for submission of the loan application, Ms. Dyer continued. She reminded the Board about the extensive data presented at the Workshop by Deputy General Manager/Chief Financial Officer Cindy Saks. If approved today, the Upper Santa Ana River Watershed Infrastructure Financing Authority (joint powers authority / JPA) would adopt a resolution approving submittal, and the review process would begin with the Environmental Protection Agency (EPA).

A favorable meeting was held with the Standard and Poor's credit agency, Ms. Dyer noted, and the JPA will receive an A+ credit rating, which exceeds the requirement for the WIFIA loan process.

Each agency is responsible for paying back their loan, Ms. Dyer continued. This will be managed through the process developed for the JPA and each project will have an agreement. Although there is a list of projects included in the loan each of those projects will still come before the Board for approval to move forward, she emphasized. Installment agreements, which lay out the terms of receiving the money from the EPA and how it will be paid back over time, will go before the board of each agency for approval of the project, then the agreement goes to the JPA board, she explained.

Ms. Dyer shared a list of projects that it is believed can be built within two years of receiving funding (approximately three years from now). YVWD will be leading 17 different projects and Valley District is leading 11 projects. Riverside Public Utilities and Western Municipal Water District are partners on several projects, she noted. Ms. Dyer explained this is a strategic move to use as much of the funding received to be used as matching funds. The total for Phase 1 is \$231.5 million in infrastructure to be built, she stated.

The proposed resolution includes authorization for:

- Inclusion of Valley District information in the WIFIA loan application
- The form of the installment purchase agreements
- Listed officers to take certain actions to ensure the completion and submission of the application
- Payment of up to \$100,000 as application fee to the EPA, which will be split proportionally based on the benefits received from the program

Ms. Dyer highlighted some questions that were brought by Director Longville. The model assumes average water sales throughout the term of the loan: about 39,000 af per year, and shared the method of calculation based on the historic average received from the SWP (45 percent). In some years, only 5,000 af may be available to sell; in other years, it may be 70,000 af, she noted. She added that the building of Sites Reservoir would provide another 22,000 af that is not included in the model. The net revenue of \$8.5 million does not include revenue generated from mitigation sales / conservation easements, she added.

In any given year, Ms. Dyer continued, there will be another assessment of revenue and expenses to assure that the Board is making a good decision on what the District can afford to build.

Director Longville noted that she and Ms. Saks discussed that any forecasting model is based on assumptions and many things. They looked at the consequences if any of those assumptions turn out not to be true, and all of them still pointed soundly in the direction of submitting the WIFIA loan but stated a workshop to look at scenarios was needed in the future. She said it is prudent to examine the worst-case scenario and learn how to manage those circumstances.

President Kielhold suggested approval of the item then request a workshop under future business.

The Board of Directors approved Resolution No. 1152 authorizing Valley District to submit a WIFIA Loan Application and authorizing certain other matters in connection therewith by the following vote.

MOVED: Botello	SECONDED: Harrison	APPROVED: 5-0
AYES:	Botello, Harrison, Hayes, Kielhold, Longville	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

RESOLUTION NO. 1152

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN BERNARDINO VALLEY MUNICIPAL WATER
DISTRICT AUTHORIZING THE INCLUSION OF
INFORMATION WITH RESPECT TO VALLEY DISTRICT IN
A WIFIA LOAN APPLICATION, APPROVING AN
INSTALLMENT PURCHASE AGREEMENT, AND
AUTHORIZING CERTAIN OTHER MATTERS IN
CONNECTION THEREWITH**

(See Resolution Book)

Agenda Item 4. Reports (Discussion and Possible Action Items).

4.1) Board of Directors Workshop – Special – April 21, 2022. No oral report was given as a written report was included in the Board packet. The report was received and filed without changes.

4.2) Board of Directors Workshop – Wages, Benefits & Insurance – April 28, 2022. No oral report was given as a written report was included in the Board packet. Director Longville requested an addition to the minutes. The report was received and filed with the requested changes.

4.3) State Water Project Report. Deputy General Manager / Chief Water Resources Officer Bob Tincher pointed to the variable historical water from the SWP. The average is a little over 60,000 af, he stated. This year is a five percent allocation, he noted, with the health and safety deliveries. In response to a question from Vice President Hayes, Mr. Tincher referenced a graph of the Historical Supplemental Water from SWP and indicated that in 2021 the five percent SWP allocation is shown on the graph in dark blue, and the shade above is carryover water.

Health and safety deliveries are for regions that are 100 percent reliant on the SWP, Mr. Tincher explained, and shared the locations of the impacted areas within the Metropolitan Water District. The rest of the State Water Contractors (including Valley District) are providing water for these areas and not receiving just compensation for investment in the SWP, he noted. To recognize that, there are strings attached to these deliveries. Each area must have robust conservation measures with mandatory requirements, must reimburse the SWP during a future wet year, and must diversify their supply portfolio to prevent health and safety deliveries in the future.

Mr. Tincher shared the hydrologic conditions of northern California and noted that a storm in April was helpful, but precipitation is still below average. The reservoir conditions show that Oroville is a little over half full, and San Luis (which is shared with the Central Valley Project) is almost half full. Snowpack started above average but has ended up at ten percent of average.

The Sites Reservoir status report is in the Board packet, Mr. Tincher noted. Director Harrison noted that the Sierra Club has opposed the Sites Reservoir, which is unfortunate.

4.4) Directors' Report of Activities

Director Harrison reported that he attended:

- April 20 – Conservation Trust meeting
- April 21 – Santa Ana River Trail Committee
- May 2, 3 and 4 – Association of California Water Agencies (ACWA) conference

- May 6 – California Special Districts Association (CSDA) Legislative Committee and National HCP Government Relations Committee
- May 9 – Association of Special Districts Dinner
- May 11 – San Bernardino Valley Water Conservation District 90th anniversary celebration
- May 12 – Met with Senator Ochoa-Bogh
- May 16 and 17 – CSDA Legislative Days

Director Botello reported that he attended:

- April 20 – Habitat Conservation Plan Tributary and Streams tour
- April 27 – Upper Santa Ana River Water Forum

Director Kielhold reported that he attended:

- May 11 – San Bernardino Valley Water Conservation District 90th anniversary celebration

Director Longville reported that she attended:

- April 20 – ACWA STEM Smart Energy Storage
- April 22 – Southern California Water Dialogue Quarterly Luncheon
- April 27 – Upper Santa Ana River Water Forum
- May 2 - 5 – Association of California Water Agencies (ACWA) conference
- May 9 – Association of Special Districts Dinner
- May 11 – San Bernardino Valley Water Conservation District 90th anniversary celebration
- May 16 – Meeting with the CFO

Vice President Hayes reported that she attended:

- April 21 – West Valley Water District (WVWD)
- April 22 – Riverside Water Task Force and Southern California Water Coalition
- April 26 – Interview with the CARP consultants
- May 3, 4 and 5 – Association of California Water Agencies (ACWA) conference
- May 10 – Presentation to Rialto City Council
- May 11 – San Bernardino Valley Water Conservation District 90th anniversary celebration
- May 13 – Water Advisory Committee of Orange County

4.5) General Counsel Report. Counsel Brad Neufeld thanked the District and Mr. Tincher for a great facilities tour and commented on the magnitude of the facilities and projects.

Mr. Neufeld clarified that action taken at the April 26, 2022 Workshop related to directors' compensation was direction to staff to bring the item back to a future Board meeting; at this point, there has been no change to compensation. Director compensation is set by ordinance as required by the Water Code, so a simple motion cannot modify an ordinance. He advised about the process. CEO / General Manager Heather Dyer

indicated that staff believes direction was to bring back the item of directors' compensation to the Board for discussion at the budget workshop.

Director Botello recalled that two directors had indicated they wanted to revisit their votes and suggested the workshop would be the time to do so.

Director Harrison asked for legal comment on the public input at the beginning of the meeting. Mr. Neufeld said he had no audio at that time and would not be in a position to comment now.

4.6) SAWPA Meeting report.

Vice President Hayes reported on the following items taken at the May 17, 2022 Commission Meeting:

Approved the following items:

- Approved Amendment No. 2 to the Middle Santa Ana River Watershed Total Maximum Daily Load (TMDL) Task Force Agreement effectively extending the existing Task Force for an additional 4.5 years through June 2027
- Approved Resolution No. 2022-8 authorizing the General Manager to submit a WaterSMART Applied Science Grant Application to the U.S. Bureau of Reclamation for the Cloud Seeding Technology Validation Protocol
- Approved the use of \$41,340 from the Building reserve to replace the manual gate on the SAWPA entrance with an automated gate.

4.7) Operations Report. Water Resources Senior Planner Matt Howard presented the report. In April 2022, 187 acre-feet of imported water was delivered to the District. Water in storage dropped by 29 af, he noted.

Director Hayes noted that no water was delivered to Rialto or WWWD. Mr. Howard explained that with the five percent SWP allocation this year, many retailers are saving up their allotted amount for peak summer demand.

4.8) Treasurer's Report

The Board approved the following expenses for the month of April 2022: State Water Contract Fund \$2,363,543.00, Devil Canyon / Castaic Fund \$113,552.00, and General Fund \$ 9,463,555.74 by the following roll-call vote:

MOVED: Harrison	SECONDED: Botello	APPROVED: 5-0
AYES:	Botello, Harrison, Hayes, Kielhold, Longville	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

Agenda Item 5. Future Business.

The following items were added by vote of the Board:

- Workshop for presentation by Deputy General Manager/Chief Financial Officer on:
 - 10-year forecasted financial data and the assumptions within it
 - Examination of worst-case scenarios and effects on the model
 - Whether the projects need to be built
 - Alternative funding if the projects are not affordable based on projection of 45 percent of the SWP allocation

MOVED: Longville	SECONDED: Kielhold	APPROVED: 5-0
AYES:	Botello, Harrison, Hayes, Kielhold, Longville	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

Agenda Item 6. Announcements.

6.1) List of Announcements. President Kielhold pointed out the list of announcements.

Agenda Item 7. Closed Session. President Kielhold adjourned the meeting to Closed Session at 3:10 p.m.

7.1) Conference with Real Property Negotiators

Property: Southern California Edison East End Hydroelectric Generation Plants
 Agency negotiator: Heather Dyer, Wen Huang
 Negotiating parties: Southern California Edison Company
 Under negotiation: Price and terms of payment

President Kielhold returned the meeting to Open Session at 4:08 p.m. District Legal Counsel Brad Neufeld stated that no reportable action was taken.

Agenda Item 8. Adjournment. The meeting was adjourned by President Kielhold at 4:08 p.m.

APPROVAL CERTIFICATION

I hereby certify to approval of the foregoing Minutes of San Bernardino Valley Municipal Water District.

Secretary

Date _____

Respectfully submitted,

Lynda J. Kerney
Contract Assistant



DATE: June 7, 2022

TO: Board of Directors

FROM: Heather Dyer, CEO / General Manager
Cindy Saks, CFO / Deputy General Manager

SUBJECT: Consider Approval of Resolution 1154 Establishing the Appropriation Subject to Limit for Fiscal Year 2022-23

Staff Recommendation

Approve Resolution 1154 establishing the Appropriations Subject to the Limit for Fiscal Year 2022-2023.

Summary

The District is required annually to calculate the appropriation limit as required by Article XIII B of the California Constitution and Section 7910 of the Government Code.

Background

The appropriation limit sets the amount of property taxes the District can expend. The law does exempt certain types of expenditures from the appropriation limit which include outlay for capital projects and facilities and debt service on voter approved bonds used to finance the District's State Water Contract.

In November 1979 the voters of the State of California approved Proposition 4, commonly known as the Gann Initiative. The Proposition placed limits on the amount of revenue, which can be spent by all entities of government. These limits are based on the amount of appropriations in the 1978-79 "base" year. In June of 1990 voters approved Proposition 111. Proposition 111 provides new adjustment formulas which make the Appropriations Limit more responsive to local growth issues.

The factors used to adjust and calculate the limit are the percentages of change in population in San Bernardino and the per capita personal income as calculated by the California Department of Finance.

As shown in the calculations on following pages, Valley District's appropriation limit for fiscal year 2022-23 is \$35,428,727. The calculations are being reviewed by the District's auditors. The amount of General Fund property tax revenue budgeted and spent by Valley District each fiscal year is less than \$11.9 million dollars. This total is well below the appropriation limits.

Fiscal Impact

There is no fiscal impact to the District for setting the Appropriations Limit.

Attachments

1. Resolution 1154
2. Appropriations Limit calculations for Fiscal Year 2022-2023.

RESOLUTION NO. 1154

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN BERNARDINO VALLEY MUNICIPAL WATER
DISTRICT ESTABLISHING THE APPROPRIATIONS
SUBJECT TO LIMIT FOR FISCAL YEARS 2022-2023**

BE IT HEREBY RESOLVED that, in accordance with Article XIII B of the California State Constitution, the Board of Directors of the San Bernardino Valley Municipal Water District hereby establishes \$35,428,727 as the appropriations subject to limit for Fiscal Year 2022-2023.

ADOPTED this 7th day of June 2022.

San Bernardino Valley Municipal Water
District

By: _____
Paul Kielhold
President

ATTEST:

Heather Dyer
Secretary



**SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
 APPROPRIATIONS LIMIT
 2022 ~ 2023 FISCAL YEAR**

2021 - 2022 APPROPRIATIONS LIMIT			33,123,342
	<u>Percent</u>	<u>Ratio</u>	
2022 - 2023 ADJUSTMENT FOR PERCENTAGE CHANGES IN:			
CALIFORNIA PER CAPITA PERSONAL INCOME - PER CAL DEPT OF FINANCE	7.55	1.0755	
POPULATION PERCENT CHANGE 2021 TO 2022	-0.55	0.9945	
PERCENT CHANGE AS A FACTOR			106.96%
2022- 2023 APPROPRIATIONS LIMIT			<u><u>35,428,727</u></u>



DATE: June 7, 2022

TO: Board of Directors

FROM: Heather Dyer, Chief Executive Officer/General Manager
Wen Huang, Chief Engineer/Deputy General Manager

SUBJECT: Consider authorizing the CEO/General Manager to execute the Third Amendment to the Agreement for the Cooperative Use of Unused Well Capacity, the Texas Grove Reservoir and the Central Feeder

Recommendation:

Authorize the CEO/General Manager to execute the Third Amendment to the Agreement for the Cooperative Use of Unused Well Capacity, the Texas Grove Reservoir and the Central Feeder to formalize the cost-share arrangement with the City of Redlands for well rehabilitation and improvements to the San Bernardino Avenue Well in the amount of up to \$157,000, which was approved by the Board of Directors at the February 15, 2022 Meeting.

Summary:

The City of Redlands is interested in partnering with Valley District to share the cost for the proposed well rehabilitation and improvements to the San Bernardino Avenue Well, which is owned by Valley District, in the amount of up to \$157,000 each. The proposed rehabilitation and improvement work is necessary to bring the well to the current standards as a municipal supply well and to optimize its operational efficiency and effectiveness. This cost-sharing arrangement was approved by the Board of Directors at their meeting on February 15, 2022. Following the approval, the City requested that an amendment to the existing agreement be drafted to formalize this cost-sharing arrangement. Based on the approved principles and cost-sharing arrangement, House Counsel, Varner & Brandt, developed the attached amendment for consideration by the Board of Directors.

Background:

As part of the 1996 Settlement with the Big Bear Municipal Water District, Valley District acquired a production well, San Bernardino Avenue Well, located on the north side of San Bernardino Avenue, between Wabash Avenue and Dearborn Avenue, in the City of Redlands. This well is connected to both Bear Valley Mutual Water Company and the City of Redlands distribution systems. Since Valley District doesn't provide water services directly to retail customers, this well has been leased by the City of Redlands to meet their customers' demands starting in 2005 and has also been used to meet District's in-lieu obligations from time to time when the State Water Project (SWP) allocation was low. Up until early 2021, when the well was leased by the City of Redlands, the City paid the District for the electricity cost plus a nominal mark-up cost to cover District's administrative expenses. In 2021, the District and the City entered into an agreement for the City to pay "actual costs" for repairs and replacement associated with operations of the facility.

The City of Redlands is interested in continuing to include this well as part of their water supply portfolio and has been planning to rehab this well and make improvements to the well. Specifically, the well has gradually reduced its production rate since the well was acquired in 1996 and is due for well rehabilitation work. Once the well is rehabbed, the existing pumping equipment will be evaluated and optimized for production. Additionally, the well pedestal was not built to the current standards for municipal water supply purposes and will be rebuilt. As part of the reconstruction of the wellhead pedestal, the wellhead piping, which has deteriorated and shown signs of corrosion, will also be reconfigured and replaced.

The City staff has obtained multiple quotes and recommends that General Pump Company be selected for the proposed work. The estimate for the work is approximately \$285,524.59. In recognition of the City's uses of the well for its own benefits and the District's uses for this well as an in-lieu supply for District's benefits, Staff recommends that the Board of Directors consider partnering with the City to share the overall cost evenly. Additionally, due to current material and supply shortage and unknown downhole condition of the well, it is also recommended that a 10% contingency be authorized to cover unforeseen circumstances. This would bring the estimated total cost for each party to approximately \$157,000.

Fiscal Impact:

The estimated cost of \$285,524.59 plus a 10% contingency brings the total cost to approximately \$314,000, of which Valley District's share will be up to approximately \$157,000. This amount will

be included in the FY22-23 General Fund Budget under Line Item 6470 Maintenance and Repairs for consideration by the Board of Directors.

Attachment

Third Amendment to the Agreement for the Cooperative Use of Unused Well Capacity, the Texas Grove Reservoir and the Central Feeder to formalize the Cost-Sharing Arrangement for Well Rehabilitation and Improvements to the San Bernardino Avenue Well

**THIRD AMENDMENT TO THE
AGREEMENT FOR THE COOPERATIVE USE OF UNUSED WELL CAPACITY,
THE TEXAS GROVE RESERVOIR AND THE CENTRAL FEEDER**

THIS THIRD AMENDMENT TO THE AGREEMENT FOR THE COOPERATIVE USE OF UNUSED WELL CAPACITY, THE TEXAS GROVE RESERVOIR AND THE CENTRAL FEEDER (“*Third Amendment*”) is entered into and effective as of June 7, 2022 (“*Third Amendment Effective Date*”), by and between the City of Redlands (“*City*”) and San Bernardino Valley Municipal Water District (“*Valley District*”). City and Valley District are sometimes referred to herein individually as “*Party*” and collectively as “*Parties*”.

RECITALS

- A. Valley District owns a well located generally on the north side of San Bernardino Avenue, between Wabash Avenue and Dearborn Avenue, in the City of Redlands, and more particularly on Assessor’s Parcel No. 0168-091-08-0000, commonly known as the San Bernardino Avenue Well (“*Well*”).
- B. City and Valley District are parties to that certain Agreement for the Cooperative Use of Unused Well Capacity, the Texas Grove Reservoir and the Central Feeder, dated April 2, 2013 (“*Original Agreement*”), as amended by that certain Amendment No. 1 to the Agreement for the Cooperative Use of Unused Well Capacity, the Texas Grove Reservoir and the Central Feeder, dated October 6, 2015 (“*First Amendment*”), and by that certain Second Amendment to the Agreement for the Cooperative Use of Unused Well Capacity, the Texas Grove Reservoir and the Central Feeder (“*Second Amendment*” and, together with the Original Agreement and the First Amendment, “*Agreement*”), which provides, *inter alia*, for City’s use of the Well under certain terms and conditions.
- C. Section 2.C. of the Second Amendment provides that City may make modifications to the Well only upon the written consent of Valley District.
- D. The Parties now desire to provide for the City’s modification and rehabilitation of the Well to improve its production rate, evaluate and optimize production, rebuild and improve the well pedestal, and reconfigure and replace the wellhead piping, all upon the terms and conditions set forth in this Third Amendment.

OPERATIVE PROVISIONS

- 1. *Modification and Rehabilitation of Well.*
 - a. Valley District hereby consents to City’s modification and rehabilitation of the Well materially as set forth in the proposal attached as *Exhibit “A”* hereto and incorporated herein by this reference (“*Project*”).
 - b. City shall commence work on the Project within six (6) months after the Third Amendment Effective Date and shall thereafter diligently prosecute the Project to completion.

- c. Valley District hereby consents to City and City's contractor's access to the Well site for construction of the Project via existing ingress and egress, as provided in the Agreement; provided, however, City shall ensure that Valley District's reasonable access to the Well remains available at all times.
- d. City shall be solely responsible for all design, environmental compliance, right-of-way acquisitions, permits, and construction of the Project.
- e. City shall ensure that all work on the Project is performed by a qualified, properly licensed contractor in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations.
- f. City shall not issue any change orders or other modifications of the Project without the prior written consent of Valley District, which consent shall not be unreasonably delayed, conditioned, or withheld.
- g. Upon completion of the Project, City shall restore the Well property to substantially the condition existing immediately prior to commencement of work on the Project.
- h. Prior to commencement of work on the Project, City shall furnish, or shall ensure its contractor furnishes, payment and performance bonds, each in a penal sum at least equal to the contract price for the Project, as security for the faithful performance and payment of all obligations in connection with the Project. Each bond shall name Valley District as an additional obligee and shall be executed by an admitted surety insurer, as defined in Code of Civil Procedure section 995.120.
- i. Prior to commencement of work on the Project, at all times during the performance of work on the Project, and for a period of one (1) year thereafter, City's contractor shall, at its own expense, maintain the following minimum levels of insurance coverage: (a) workers' compensation as required by law; (b) employers' liability insurance with a limit of liability not less than \$1,000,000 per occurrence; (c) commercial general liability insurance with a combined single limit of liability not less than \$1,000,000 per occurrence; (d) automobile liability insurance for owned, non-owned, leased, and hired vehicles, with a combined single limit of liability not less than \$1,000,000 per accident; and (e) all-risk installation floater insurance, including builder's risk/course of construction coverage, for the full value of the Project. All insurance policies required pursuant to this Third Amendment shall: (1) for commercial general liability policies, include an additional insured endorsement at least as broad as ISO CG 20 10 10 01 naming as additional insureds "San Bernardino Valley Municipal Water District and its directors, officers, employees, representatives, agents, affiliates, subsidiaries, predecessors, successors, and assigns"; (2) be on an "occurrence" basis, not a claims-made basis; (3) contain an aggregate limit not less than the occurrence limit; (4) be primary and non-contributory with any insurance carried by or available to Valley District; (5) waive all rights of subrogation and contribution against Valley District and its insurers; (6) provide that coverage shall not be revised, cancelled, or reduced without at least thirty (30) days prior written notice to Valley District; and (7) be

issued by insurance companies which are qualified to do business in the State of California and which have a current rating of A-VII or better in Best's Insurance Report. City's contractor shall provide to Valley District endorsements and certificates reasonably acceptable to Valley District evidencing the specified insurance coverage promptly upon request.

- j. Except as may be provided by separate agreement of the Parties, Valley District shall be the sole owner of the Well and all modifications constructed pursuant to this Third Amendment. City shall acquire no ownership right, title, security interest, or other interest in the Project facilities as a result of this Third Amendment.

2. *Cost Sharing.*

- a. The total estimated contract price for the Project ("**Project Cost**") shall be as set forth in Exhibit "A" plus a contingency of ten percent (10%) due to current material and supply shortages and unknown downhole conditions of the Well; provided, however, that the Project Cost shall not exceed Three Hundred Fourteen Thousand Dollars (\$314,000) unless approved in advance in writing by both Parties.
- b. All costs and expenses reasonably incurred by City in the construction of the Project shall be shared equally by City and Valley District, as follows:
 - (1) City shall pay when due the Project cost arising out of or related to the Project, subject to retention provisions as permitted by law.
 - (2) City shall invoice Valley District each month for Valley District's 50% portion of Project Cost paid during the preceding month. Valley District shall pay all undisputed invoices within thirty (30) days after receipt, subject to retentions equal to the amounts provided under City's agreement with City's contractor.
- c. City shall keep and maintain accurate accounting records of all costs incurred in connection with the Project. Accounting records for the Project shall utilize generally accepted accounting practices and be consistent with the terms of this Third Amendment. City's Project accounting records shall clearly distinguish and separate all Project costs from City's other operation, maintenance, repair, replacement, or other costs in connection with the Well.

- 3. *Indemnification.* To the maximum extent permitted by law, City shall indemnify, defend, and hold harmless Valley District and its directors, officers, employees, agents, and representatives from and against any and all claims, losses, damages, liabilities, fines, penalties, costs and expenses (including all legal costs such as reasonable attorneys' fees, expert costs, court costs, and settlement expenses) (collectively, "**Claims**") arising out of or related to the Project; provided, however, that City's indemnification obligations under this Section 3 shall not apply to the extent any Claims are caused by the negligence or willful misconduct of Valley District. City shall include language materially similar to this

Section 3 in favor of Valley District in any agreement with its contractor. The obligations of this Section 3 shall survive any termination of the Agreement.

4. *CEQA Compliance.* City shall be responsible for obtaining or conducting any and all California Environmental Quality Act (Pub. Resources Code § 21000 *et seq.*) analysis, board actions, regulatory approvals, and filings associated with its activities carried out under the terms of this Third Amendment.
5. *General Provisions.*
 - a. *Incorporation of Recitals.* Each and every one of the Recitals set forth above is a material part of this Third Amendment and is hereby incorporated by reference into and made part of this Third Amendment by this reference.
 - b. *Authority.* Each signatory of this Third Amendment represents that he or she is authorized to execute this Third Amendment on behalf of the Party for which he or she signs. Each Party represents that it has legal authority to enter into this Third Amendment and to perform all obligations under this Third Amendment.
 - c. *Further Amendment.* This Third Amendment may be amended or modified only by a written instrument executed by each of the Parties to this Third Amendment.
 - d. *Jurisdiction and Venue.* This Third Amendment shall be governed by and construed in accordance with the laws of the state of California, except for its conflicts of law rules. Any suit, action, or proceeding brought under the scope of this Third Amendment shall be brought and maintained to the extent allowed by law in the County of San Bernardino, California.
 - e. *Headings.* The paragraph headings used in this Third Amendment are intended for convenience only and shall not be used in interpreting this Third Amendment or in determining any of the rights or obligations of the Parties to this Third Amendment.
 - f. *Construction and Interpretation.* This Third Amendment has been arrived at through negotiations and each Party has had a full and fair opportunity to revise the terms of this Third Amendment. As a result, the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not apply in the construction or interpretation of this Third Amendment.
 - g. *Entire Agreement.* This Third Amendment constitutes the entire agreement of the Parties with respect to the subject matter of this Third Amendment and supersedes any prior oral or written agreement, understanding, or representation relating to the subject matter of this Third Amendment.
 - h. *Partial Invalidity.* If, after the Effective Date of this Third Amendment, any provision of this Third Amendment is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Third Amendment, such provision shall be fully severable. However, in lieu thereof, there shall be

added a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

- i. *Successors and Assigns.* This Third Amendment shall be binding on and inure to the benefit of the successors and assigns of the respective Parties to this Third Amendment. No Party may assign its interests in or obligations under this Third Amendment without the written consent of the other Party, which consent shall not be unreasonably withheld or delayed.
- j. *Waivers.* Waiver of any breach or default hereunder shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or of another provision of this Third Amendment and forbearance to enforce one or more of the remedies provided in this Third Amendment shall not be deemed to be a waiver of that remedy.
- k. *Attorneys' Fees and Costs.* The prevailing Party in any litigation or other action to enforce or interpret this Third Amendment shall be entitled to reasonable attorneys' fees (including fees for use of in-house counsel by a Party), expert witnesses' fees, costs of suit, and other necessary disbursements in addition to any other relief deemed appropriate by a court of competent jurisdiction.
- l. *Necessary Actions.* Each Party agrees to execute and deliver additional documents and instruments and to take any additional actions as may be reasonably required to carry out the purposes of this Third Amendment.
- m. *Representations and Warranties.* Each representation and warranty contained herein or made pursuant hereto shall be deemed to be material and to have been relied upon and shall survive the execution, delivery and termination of this Third Amendment.
- n. *Compliance with Law.* In performing their respective obligations under this Third Amendment, the Parties shall comply with and conform to all applicable laws, rules, regulations, and ordinances.
- o. *Third Party Beneficiaries.* This Third Amendment shall not create any right or interest in any non-Party or in any member of the public as a third party beneficiary.
- p. *Counterparts.* This Third Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have duly executed this Third Amendment as of the Third Amendment Effective Date.

CITY OF REDLANDS,
a California municipality

By: _____
Paul T. Barich,
Mayor

ATTEST:

Jeanne Donaldson, City Clerk

**SAN BERNARDINO VALLEY MUNICIPAL
WATER DISTRICT,**
a California municipal water district

By: _____
Heather P. Dyer
CEO/General Manager

[Signature Page for Third Amendment to the Agreement for the Cooperative Use of Unused Well Capacity, the Texas Grove Reservoir and the Central Feeder]

EXHIBIT “A”

SAN BERNARDINO AVENUE WELL MODIFICATIONS PROPOSAL

BID SCHEDULE
SB Muni Well & Equipment Rehabilitation

TASK 3.4

Item No.	Item Description	Unit	Total Units	Cost Per Unit	Total Cost
1	Mobilize: All equipment and crews needed to complete proposed work. (Maximum 5% of total bid).	Lump Sum			\$ 9,000
2	Remove Pumping Equipment: Remove 505' of Oil-lube turbine pump equipment consisting of 12" x 4" x 2-7/16" column tube and shaft.	Lump Sum			\$ 20,800
3	Tear Down and Inspect: Tear down and inspect pumping equipment for damages. Provide a detailed report of damages and recommendations for repair.	Lump Sum			\$ 1,500
4	Video Log Well: Video log well after pumping equipment has been removed. Provide detailed report, recommendations for rehabilitation and 2 DVD copies to the City.	Lump Sum			\$ 1,100
5	Demo and Install New Pump Base: Existing concrete pump base is 78" x 78" x 6". New pump base shall utilize AWWA Standard A100-06 and extend no less than 24" above final ground level elevation.	Lump Sum			\$ 14,000
6	Raise Discharge Piping: Raise 12" discharge piping 10" to meet new pump head height. Provide a Victaulic fitting for flex at pump discharge.	Lump Sum			\$ 1,500
*The below proposed work may differ from the bid schedule depending on findings in the inspection report. Some items in the bid schedule will not be necessary and all items shall be bid as a worst case scenario.					
7	Wire Brush and Bail: Brush and bail well to bottom of 18" casing x 590'. Brush type will be decided based on well conditions and recommendations. All removed bailing materials must be disposed of offsite. Note: Estimate 40 hours of down hole work. City will consult with the contractor to determine and finalize hours based on well condition.	Hours	40	\$ 350	\$ 14,000
8	Video Log Well: Video log well post brush and bail. Provide 2 DVD copies to the City.	Lump Sum			\$ 1,100
9	*Rebuild Tube and Shaft Assembly: Rebuild 505' of 4" x 2-7/16" tube and shaft assembly with all new bearing, couplings and any other needed hardware. Rebuild tube end sections shall consist of machining faces of all tube ends parallel and concentric.	Linear foot	505'	\$ 26	\$ 13,130
10	*Furnish and Install New Tubing and shaft assembly: Furnish and install entire tube and shaft assembly consisting of 505' of 4" x 2-7/16" steel tubing and shaft.	Linear foot	505'	\$ 38	\$ 19,190
11	*Furnish and install New Column Pipe: Furnish and Install 505" of 12" schedule 40 steel column pipe. Include all necessary couplings.	Linear foot	505'	\$ 100	\$ 50,500
12	Rebuild Stretch Brass Assembly: Rebuild stretch brass.	Lump Sum			\$ 800
13	Rebuild Layne & Bowler Head: Sand blast and epoxy coat pump head. Rebuild Layne & Bowler pump head assembly with 416SS head shaft and all necessary hardware for installation of pumping equipment and motor. All rebuild materials shall meet NSF/ANSI 61 standards	Lump Sum			\$ 4,000
14	*Rebuild Bowl Assembly: Rebuild 6 stage Layne & Bowler 16KHM bowl assembly. Replace all necessary materials including brass bushings, wear rings and 416SS shafting. All rebuild materials shall meet NSF/ANSI 61 standards	Lump Sum			\$ 7,000

RFB # 20210304PM for Well and Booster Pump Maintenance

15	<p>*Furnish And Install New Bowl Assembly: Supply new Goulds pump bowl assembly or City approved equal capable of meeting pumping conditions of 2650 GPM @ 480' TDH</p> <p>Pump bowl assembly shall meet NSF/ANSI 61 drinking water standard</p> <p>Write in - manufacture name, pump model number and number of stages:</p> <p align="center">14RHHC-6</p>	Lump Sum		\$ 9,800
16	<p>Furnish and Install New Airline: Furnish and install 505' of continuous 1/4" stainless steel airline with direct read gauge airline to be banded every 20' with stainless steel bands.</p>	Lump Sum		\$ 1,700
17	<p>Install Oil lube Turbine Pumping Equipment: Install 505' of oil lube turbine pumping equipment. Restore well site to pre-rehabilitation condition. Provide all necessary gaskets and needed hardware.</p>	Lump Sum		\$ 21,000
18	<p>Perform Start Up Wire Motor Test Rotation: Perform start up, wire motor, test rotation.</p>	Lump Sum		\$ 1,500
19	<p>Pump Performance Testing: Perform pump performance testing and provide detailed report to city. Provide all associated install information, pump curve, NSF certification, installation sheet, drawings, work logs and test reports. Test reports to include AMP/voltage, Rossum sand test, Motor temp & vibration, flow & pressure, static, pumping and drawdown water levels.</p>	Lump Sum		\$ 500
20	<p>Provide as built drawing: Provide as built of pumping equipment</p>	Lump Sum		\$ 100
21	<p>Demobilize: All equipment and crews used to complete proposed work.</p>	Lump Sum		\$ 200
BID SCHEDULE TOTAL PRICE				\$ 192,420.00

Last Minute Additions/Deductions* N/A Bid Item No. N/A
 Last Minute Additions/Deductions* N/A Bid Item No. N/A

BID SCHEDULE TOTAL PRICE: \$ 192,420.00

BID SCHEDULE TOTAL PRICE WRITTEN IN WORDS: _____

 One hundred ninety-two thousand four hundred twenty



159 N. ACACIA STREET * SAN DIMAS, CA 91773
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May 9, 2022

Via Email

City of Redlands
35 Cajon Street
Redlands, California 92373
Attn: Paul Mariscal

Subject: Muni Well (Expanded Scope)

General Pump Company performed a job walk with City personnel to review the site layout and discuss an expanded scope of work outside of the line items found on task 3.4.

The main items under the expanded scope focused mainly on replacing and resizing the main transition discharge piping from the discharge head flange to the existing 14" butterfly valve. The new piping will be 12" steel, without coatings, 150# SOW flanges, with nut bolt, and gasket kits. Additional materials and labor to incorporate the additional pipe liner that runs to the west of the well that will be raised due to the current height of the well pedestal. The following is a takeoff of materials proposed, along with field labor.

Cost

Materials

- 400 HP USEM VHS Motor
- 12" flanged McCrometer FxF 4-20MA totalizer 100 cf
- Steel weld on flanges (6)
- 12" Std Blk A53B Pipe w/BxB end
- 12" 150# RF weld Neuc Flange
- 16" 150# RF s/o flange
- 16"x12" Std, CR
- 12" 150# Flanged swing check
- Pipe stands (2)
- Ultra-Sonic Level Transducer
- 2x4-6 THREDOLET (3)
- 1" Corp stop (2)
- 1" THREDOLET (6)
- 1 1/2" THREDOLET (2)
- 1x3 3M THREDOLET (5)
- 12" Smith Blair flex coupling
- 12 NB&K (5)
- Spool section for waste line
- Sample station
- 10" NB&6 set

Total Materials, Includes Freight and Sales Tax \$76,778.59



Shop Labor

- Load equipment, piping valves
- Cutting supplies, welding materials

Feld Labor

- Mobilize to site, conduct brief tailgate safety meeting
- Rig up crane, remove all shade structures
And store safely on site
- Remove existing piping, valves, spools that will be replaced
- Unload new materials
- Demobilize

Rotary Crane and 1 Man Crew @ \$265/Hr.
Service Truck, Pump Mechanic and Helper @ \$303/Hr.

Est. 10 Hrs. @ \$573/Hr. 5,730.00
Est. OT 2 Hr. @ \$168/Hr. 336.00

Cont.

- Mob to site, conduct brief safety meeting
- Fabricate spools with new piping, flanges
- Install all new spools, motor, check valve
- Bolt up & align to new discharge center line
- Fabricate new pipe stands

Service Truck with Welder and 1 Man Crew

Est. 40 Hrs. @ \$185/Hr. 7,400.00
Est. OT 8 Hrs. @ \$60/Hr. 480.00 13,946.00

Outside Service

- Program existing VFD panel for 400 HP motor 1,620.00

Additional Labor and Materials Total \$93,104.59

If you have any questions or need additional information regarding the above, please do not hesitate to contact us. Thank you.

GENERAL PUMP COMPANY, INC.

Tom Nanchy

Tom Nanchy
Sr. Project Manager/ Project Engineer



DATE: June 7, 2022

TO: Board of Directors

FROM: Heather Dyer, CEO/General Manager

SUBJECT: Consider In-Person meetings or alternatively Resolution 1155 authorizing the San Bernardino Valley Municipal Water District to conduct remote meetings for the period June 7, 2022, through July 6, 2022

STAFF RECOMENDATION

Receive feedback from legal counsel and determine if the Board would like to return to in-person meetings in the month of June. If the Board decides to continue with virtual meetings, consider adoption of Resolution 1155 authorizing the San Bernardino Valley Municipal Water District to conduct remote meetings for the period June 7, 2022, through July 6, 2022.

BACKGROUND

Based on the current COVID-19 conditions, the Board should consider various options for in person, hybrid, or remote meetings and the specific requirements for each option.

On March 17, 2020, due to the COVID-19 global pandemic emergency, Governor Newsom issued Executive Order N-29-20, which allowed local agencies to hold meetings via teleconferences and to make meetings accessible electronically without violating the open meetings laws in the Brown Act by relaxing the teleconferencing rules.

On June 11, 2021, Governor Newsom issued Executive Order N-08-21, which replaced the text in Executive Order N-29-20. Executive Order N-08-21 stated the relaxed Brown Act provisions shall apply through September 30, 2021.

Assembly Bill No. 361 provides additional flexibility for local agencies looking to meet remotely in order to continue providing the public with essential services during a proclaimed state of emergency. The goal of Assembly Bill No. 361 is “to improve and enhance public access to state and local agency meetings during the COVID-19 pandemic and future emergencies by allowing broader access through teleconferencing options.”

Assembly Bill No. 361 allows a local agency to use teleconferencing without complying with certain Brown Act provisions in any of the following circumstances:

1. The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.
2. The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
3. The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

Assembly Bill No. 361 went into effect on October 1, 2021. A local agency is authorized to use teleconferencing without complying with the teleconferencing requirements in the Brown Act when meetings are held during a declared state of emergency until January 1, 2024. In order to do so, the local agency must adopt a Resolution making the following findings by majority vote every 30 days:

1. The legislative body has considered the circumstances of the state-of-emergency; and
2. Any of the following circumstances exist:
 - a. The state-of-emergency continues to directly impact the ability of the members to meet safely in person; or

- b. State or local officials continue to impose or recommend measures to promote social distancing.

FISCAL IMPACT

None

ATTACHMENT

Resolution 1155

RESOLUTION NO. 1155

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR GAVIN NEWSOM ON MARCH 4, 2020, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODIES OF SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT FOR THE PERIOD JUNE 6, 2022, THROUGH JULY 7, 2022, PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the San Bernardino Valley Municipal Water District (District) is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of the San Bernardino Valley Municipal Water District's legislative bodies are open and public, as required by the Ralph M. Brown Act (Gov't Code § 54950 et seq.), so that any member of the public may attend, participate, and watch the District's legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District's boundaries, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the state of emergency continues to directly impact the ability of the members to meet safely in person; and

WHEREAS, such conditions now exist in the District, specifically, a state of emergency has been proclaimed due to an outbreak of respiratory illness due to a novel coronavirus (a disease now known as COVID-19); and

WHEREAS, the San Bernardino County Department of Health has recommended measures to promote social distancing;

WHEREAS, the Board of Directors has determined that the state of emergency continues to directly impact the ability of the members to meet safely in person; and

WHEREAS, the Board of Directors does hereby find that the current state of emergency with respect to COVID-19, local official recommendations to promote social distancing, and conditions causing imminent risk to the health and safety of attendees have caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and desires to proclaim a local emergency and ratify the proclamation of state of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency, the Board of Directors does hereby find that the legislative bodies of San Bernardino Valley Municipal Water District shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT as follows:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Proclamation of Local Emergency. The Board hereby proclaims that a local emergency now exists throughout the District, and declares that meeting in person would not comply with local official recommendations to promote social distancing and would present imminent risk to the health and safety of attendees.

Section 3. Ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California's Proclamation of a State of Emergency, effective as of its issuance date of March 4, 2020.

Section 4. Remote Teleconference Meetings. The General Manager and legislative bodies of the San Bernardino Valley Municipal Water District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect on June 7, 2022 and shall be effective until the earlier of (a) July 6, 2022, or (b) such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the San Bernardino Valley Municipal Water District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

ADOPTED this 7st day of June 2022.

Paul Kielhold
President

Heather P. Dyer
Secretary



DATE: June 7, 2022
TO: Board of Directors
FROM: Heather Dyer, Chief Executive Officer/General Manager
SUBJECT: CEO/General Manager's Report

The following is an update from the Chief Executive Officer/General Manager on the status of several items at the District.

- I. **Status of the San Bernardino County Flood Control District agreement**
District staff and our legal counsel continue working with the County executive office and the San Bernardino County Flood Control District (SBCFCD) for development of a cooperative recharge agreement. A draft set of terms is currently in revision by Downey Brand and expected to be brought to the Board in early July for consideration.

- II. **Status of the Regional Recycled Water System**
The Regional Recycled Water System consists of two major components:
 - Weaver Basins: Grading for all basins has been completed as of the end of May; piping and mechanical work will begin in June. The Project is expected to be completed February 2023.
 - Regional Recycled Water Pipeline: This portion of the project is in the final design and permitting stage with Caltrans for I-210 freeway crossing and the City Creek bridge crossing with the City of Highland. Pipeline and appurtenances are in fabrication.

- III. **Status of the Active Recharge Transfer Projects (ARTP)**
Following are updates on the projects that are currently in design/engineering phase, which is being led by the San Bernardino Valley Water Conservation District as part of our ARTP agreement from 2019.

- Waterman, Twin Creek, and Lynwood Basins
 - The aerial survey is complete, and the groundwater modeling and hydrologic analyses are in progress. Waters (U.S. and CA) permitting for geotechnical investigations have been secured.
- Plunge and Oak Creeks
 - The aerial survey is complete, and the hydrology study is in progress. Environmental permitting for the geotechnical investigation is also in progress. Species surveys will be conducted on Valley District, Bureau of Land Management (BLM), and SBCFCD-owned lands. A permit for the species surveys has been received from BLM; access from SBCFCD has not been issued. Groundwater modeling and hydrologic analyses is in progress.
- Mill, Bledsoe, and Cook Creeks
 - Field surveys of Mill Creek have begun and a fault study for Cook Creek is in progress.

IV. **Status of Habitat Conservation Plan**

Staff is working closely with the U.S. Fish and Wildlife Service (USFWS) to finalize edits to the Upper Santa Ana River Habitat Conservation Plan, and the National Environmental Policy Act (NEPA) analyses is in progress, led by the USFWS as a requirement of issuing a federal permit.

There have been significant delays with permits related to mitigation on the mainstem tributaries. We are now pursuing lower cost management actions (i.e., nonnative plant management) that do not involve the United States Army Corps of Engineers (USACE) first and will pursue ground-disturbing activities once the permits are in place (and hopefully additional funding is secured). We began non-native plant management at Hidden Valley prior to nesting bird season which will continue this fall. This work has been conducted by County Ranger staff as part of our contract with the Riverside County Parks and Open Space District. They also perform ongoing patrol of our restoration sites to minimize the presence and impacts of homeless encampments on these sites.

The non-native aquatic management plan is close to finalization, as is the translocation plan. Staff is working closely with the California Department of Fish and Wildlife (CDFW) to conduct the first translocation. There have been permitting delays regarding the microhabitat in the Santa Ana River. Staff is pursuing a less intensive effort which will begin in early August. There is currently a larval survey for Santa Ana sucker in progress which will continue through July.

Habitat management began at several alluvial fan sites. An exciting find at one of our mitigation properties was the presence of a California glossy snake. USFWS and the U.S. Geological Survey were excited to hear about this finding, as this is a new location for this species.

We are pursuing a Section 6 grant from the USFWS for the acquisition of approximately 30 acres of land in the Lytle Creek area. If successful, 74% of the acquisition would be funded by USFWS and 26% by the State Wildlife Conservation Board. The HCP would be responsible for long-term management.

We are working to finalize the Joint Powers Agreement by the early fall so that agencies can begin the approval process. We are aiming for finalization of the HCP and its Final Environmental Impact Report (EIR) by the end of this year. Joanna Gibson will provide an update on the HCP and other environmental activities at a upcoming board workshop.

V. **Wildlife Conservation Board Riparian Grant**

On May 26th, we were awarded a \$392,500 grant from the Wildlife Conservation Board (WCB) through their California Riparian Habitat Conservation Program. We are leveraging funding that was already being used at the Louis Robidoux Parkland & Pecan Grove (LRPPG) as a match for this grant to expand the planning area by approximately 290 acres to include a large chunk of floodplain between Sunnyslope Creek and the Santa Ana River. These funds will contribute to a sitewide master plan, opportunities and constraints analysis for restoration, restoration design, and environmental documentation (i.e., CEQA, NEPA) and permitting.

This project will ultimately lead to the restoration of a large habitat core in the middle of the Santa Ana River corridor that will provide benefits to many native species, including the following that are covered by the HCP: Santa Ana sucker, arroyo chub, least Bell's vireo, yellow-breasted chat, southwestern pond turtle, and south coast garter snake. The grant was approved by the WCB at their board meeting on May 26. There is a 30–35-day CEQA waiting period and then a notice to proceed will be issued a few days after that.

VI. **Tres Lagos Property Update – Master Plan RFP**

Following the discussion at the Board of Directors meeting on April 21, 2022, and the receipt of input from the Directors and public, Staff is currently drafting a request for proposals (RFP) to solicit proposals from qualified consultants for master-planning of the 1,600-acres of the land that comprise the Tres Lagos Property. Among other things, the scope of work would include identification of various opportunities for the site, including the District's future water infrastructure needs, mitigation land needed to satisfy permit requirements for the Upper Santa Ana River Habitat Conservation Plan, additional opportunities for conserved open space and habitat preservation, and possible educational components focused on watershed health and sustainability, forest headwaters protection and wildfire resilience.

In preparation for releasing an RFP, staff plans to receive feedback from the Board regarding overall goals and objectives for ownership and use of the site so they may be

addressed in the RFP and ultimate master plan. Staff expects to bring this item for discussion at a workshop in June or early July.

VII. **Human Resources**

The District recruited for Water Systems Operator I for a future vacancy and received many qualified applications. First round of interviews took place on May 31.

The Senior Accountant recruitment is open through June 10, or until enough highly qualified applications are received. The position was advertised and posted on social media, so we expect to receive a healthy applicant pool.

Our HR/Risk Manager, Karen Resendez, will be giving an overview of the program at the Policy workshop in June.

Staff Recommendation

Receive and file.



DATE: June 7, 2022
TO: Board of Directors
FROM: Staff
SUBJECT: Summary of May 10, 2022, Board of Directors Workshop – Engineering

The Engineering Workshop convened on May 10, 2022. Director Harrison chaired the meeting via Zoom video-teleconference.

Directors Present: President Kielhold, Vice President Hayes, Director Botello, Director Harrison, and Director Longville.

Staff Present:

Heather Dyer, MS, MBA – Chief Executive Officer/General Manager
Joanna Gibson, MS – Executive Director Upper SAR Habitat Conservation Program
Wen Huang, PE, MS -- Deputy General Manager / Chief Engineer
Jose Macedo, ML, CPT-P (USA Retired) – Chief of Staff/Clerk of the Board
Cindy Saks, CPA – Deputy General Manager/Chief Financial Officer
Bob Tincher, PE, MS – Deputy General Manager/Chief Water Resources Officer
Melissa Zoba, MBA, MPA – Chief Information Officer

Michael Esquer – Senior Project Manager
Kristeen Farlow, MPA – Strategic Communications Manager
Anthony Flordelis – Business Systems Analyst
Adekunle Ojo, MPA – Water Resources Manager
Karen Resendez – Human Resources / Risk Manager

Olivia Ramirez – SBVMWD Intern

Members of the Public Present:

Joyce McIntire, Yucaipa Valley Water District
Nyles O’Harra, Yucaipa Valley Water District
Joseph Zoba, Yucaipa Valley Water District
Lora Carpenter, Fieldman, Rolapp & Associates
Robert Porr, Fieldman, Rolapp & Associates
Tarlán Talikhanzadeh, Fieldman, Rolapp & Associates
Melody McDonald, San Bernardino Valley Water Conservation District

Douglas Brown, Stradling Yocca Carlson & Rauth
George Hanson, Bear Valley Mutual Water Company
Sam Fuller, Bear Valley Mutual Water Company
James Morales, East Valley Water District
Brian Dickinson, City of Colton
Amelia Erika Velarde

1. Introductions

There were none.

2. Public Comment

Chair Harrison invited public comment. There was none.

3. Summary of Previous Meeting

The meeting notes from the April 12, 2022, Board of Directors Workshop - Engineering were accepted with no corrections.

4.1 Consider In-Person meetings or alternatively Resolution No. 1153 authorizing the San Bernardino Valley Municipal Water District to conduct remote meetings for the period May 10, 2022, through June 8, 2022

Chief Executive Officer / General Manager Heather Dyer reminded the Board about the teleconferencing requirements. Vice President Hayes asked about the current COVID-19 status. Ms. Dyer advised that cases are increasing, and noted the attendees at last week's ACWA conference were alerted about exposure.

Vice President Hayes said it is important not to go back and forth and recommended staying with remote meetings. Director Longville and Director Harrison concurred.

Action Item(s): The Board of Directors adopted Resolution No. 1153 authorizing the San Bernardino Valley Municipal Water District to conduct remote meetings for the period May 10, 2022, through June 8, 2022 by the following roll-call vote:

Moved: Hayes	Second: Longville	APPROVED: 5-0
AYES:	Botello, Harrison, Hayes, Kielhold, Longville	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

RESOLUTION NO. 1153

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR GAVIN NEWSOM ON MARCH 4, 2020, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODIES OF SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT FOR THE PERIOD MAY 10, 2022, THROUGH JUNE 8, 2022, PURSUANT TO BROWN ACT PROVISIONS.

(See Resolution Book)

4.2 Consider the District's Watershed Connect Phase 1 Long Range Financial Plan and the Resolution Authorizing Submission of WIFIA Loan Application

Chief Executive Officer / General Manager Heather Dyer explained that this is the culmination of the work of a large team on the Water Infrastructure Finance and Innovation Act (WIFIA) loan application. She pointed out the draft resolution which includes the installment purchase agreement and authorization of a \$100,000 application fee to the Environmental Protection Agency (EPA), which will be split 50/50 with loan partner Yucaipa Valley Water District (YVWD).

Ms. Dyer provided background information. She explained that all local water projects are built with general fund money, and most property tax revenue is restricted for funding the State Water Project (SWP) investment. In order to be resilient, the District needs to build a significant amount of local water infrastructure but is confined to using general fund money for those projects. Staff has worked to maximize investments in order to stretch the general fund to build as many local water supply projects as possible. This application is the culmination of years of integrated planning with District partners, the completion of the Habitat Conservation Plan (HCP), and it is now at the place where funding needs to be determined, Ms. Dyer stated.

Ms. Dyer advised the District's general fund cash reserve balance as of May 1, 2022, totaled \$80.6 million. She listed several large projects on which the District spent about \$81.2 million so far this fiscal year. She estimated a fiscal year ending balance of \$49.3 million in cash reserves due to a significant payment of about \$31.4 million on the Weaver Basins plus expected cash flow and operational expenses. Staff believes the estimated balance leaves the District in good shape, she said.

The projects listed were crucial to the strategy devised for the WIFIA loan program, Ms. Dyer continued. By leveraging the funds, three high-dollar projects were able to be included in the loan program: the Enhanced Recharge Project Phase 1B and Phase 1A Liner, and the Santa Ana River Sustainable Parks and Tributaries Water Re-use Project. Financing is advantageous as it gives the ability to build the cost of the projects into partners' rate structures over time, up to 40 years, which provides a lot of flexibility, she noted. In addition, there are two projects related to the SWP to try to get done this year, funding for which may use matching funds toward the WIFIA loan.

Ms. Dyer reminded the Board about the creation of the Upper Santa Ana River Watershed Infrastructure Financing Authority (USARWIFA), a joint powers authority (JPA) that would facilitate the flow of funds from the EPA to the project partners and loan recipients, and back from the agencies to the EPA over time. There are currently four members of the JPA: Valley District, YVWD, San Bernardino Valley Water Conservation District, and the San Bernardino Municipal Water Department. It is expected that Western Municipal Water District will join later this month, and Riverside Public Utilities is in the process, she added.

Ms. Dyer detailed the JPA organizational structure and reported that a positive meeting was held with the Standard and Poor's Credit Rating Agency. Everyone runs their own projects, and is responsible for paying back their own loan, she noted. Valley District is functioning as the fiscal agent and is splitting planning and administrative costs based on the proportional benefit received from the program.

Lora Carpenter, Vice President at Fieldman Rolapp Associates, explained how the installment purchase agreements will work and presented an overview of the WIFIA process. Approximately \$61.8 million (49 percent) of projects will be funded from EPA loan proceeds, she noted.

Ms. Carpenter explained in detail the key benefits of the WIFIA program: the low, fixed interest rate and the flexible financial terms. The estimated Phase 1 projects total is \$231.5 million for Valley District, she noted, and pointed to funding sources in addition to the WIFIA loan. She noted that staff is also working on outside funding sources such as grants. Deputy General Manager/Chief Financial Officer Cindy Saks shared forecasted financial data and highlighted estimated revenues and expenses for the next nine years. Net revenues range from \$8.6 million to \$13 million over the years. Current debt service is related to the baseline feeder and well rehab, and debt service coverage is very strong, as is the net cash, she advised. The model includes an assumption of a water rate increase keeping pace with inflation, and staff will be bringing a proposal to perform a cost-of-service

study early in the next fiscal year, she added. She also pointed out the expected land mitigation revenue. Ms. Saks further detailed the estimated cash reserve balance and assured that it is very strong.

Ms. Dyer addressed inflation and explained that reference to water rate considered an average of 2 to 2.5 percent. The water rate has not been raised in 20 years, she reminded, and costs have increased over time. She made the case for a cost-of-service study and discussion of water rate.

Ms. Dyer further detailed sources of matching funds. The JPA is envisioned to be a durable financing mechanism not just for Valley District but for the partners who need to build water projects, she stated. She advised that she is meeting with elected officials in pursuit of funding to offset local costs. She emphasized that a total of \$436 million in local water and climate resilient projects would be built in the next three years.

Director Longville thanked directors and staff for their efforts. In response to Longville's request, Ms. Dyer explained that the Headwaters Resiliency Multipurpose Area referred to the purchase and development of a master plan for the Tres Lagos property. Director Longville also requested Ms. Saks review the forecast financial data with her.

Director Longville pointed to the installment agreement and asked about the rate stabilization fund. Ms. Carpenter emphasized that the document still needs to be reviewed by the EPA and is subject to negotiation. She explained that the objective is to identify a technique or a fund which Valley District can use legally for debt payment.

Director Harrison asked about interest rate. Ms. Carpenter acknowledged the volatility of the interest rate and the recent Fed fund rate increase. The WIFIA rate will be set on the loan closing date and will use the Treasury rates; it may be north of 3 percent, she stated.

Director Botello noted that this is what staff promised, acknowledged the effort, and expressed support for the Phase 1 projects. Putting water in the ground should be conversation number one, he said.

Director Botello advised that he toured the Santa Ana River Sustainable Parks and Tributaries Water Re-use Project and said it is well worth the effort and is a smart investment. He emphasized the importance of mitigation lands.

Director Harrison concurred and said the projects make sense and are defensible to the taxpayers, assuring that they and their grandchildren have water.

Director Harrison invited public comment. There was none.

Action Item(s): The Board voted to move this item forward for consideration to a regular Board of Directors meeting by the following roll-call vote:

There was no motion or second.	APPROVED: 5-0
AYES:	Botello, Harrison, Hayes, Kielhold, Longville
NOES:	None
ABSTAIN:	None
ABSENT:	None

4.3 Consider a Proposed 2022 Water Supply Contingency Program to Meet the BVMWC In-Lieu Water Demand

Deputy General Manager / Chief Engineer Wen Huang noted this item came to the Board just a couple of months ago after reconciliation of the 2021 in-lieu program. Unfortunately, this is the second consecutive five percent SWP allocation year and there is not enough State Project Water to meet direct delivery or in-lieu demand, he cautioned.

Mr. Huang estimated availability of about 13,000 acre-feet (af) of supply and advised there were a lot of requests for delivery of SPW. The focus has been on direct delivery; there is no water slated for recharge, he noted. The water resources team reached out to retail agencies and asked them to revise their request to only what was absolutely needed. Bear Valley Mutual Water Company (BVMWC) has been allocated 2,567 af.

Mr. Huang explained the in-lieu program and reminded that through the partnership with BVMWC, East Valley Water District, and the City of Redlands, the District last year was able to pump 5,200 af of local groundwater to meet obligations. This year, only 500 af will be available, he advised.

Mr. Huang pointed out that the District participated in the rehabilitation of wells for BVMWC and those wells are now part of the in-lieu portfolio to help meet obligations.

The BVMWC can request up to 8,616 af, of which 82 percent is anticipated to be met by pumped groundwater due to the limited SPW at a cost of \$1,040,000, Mr. Huang explained. In addition, BVMWC requests the District partner with them to share 50 percent of the cost of repairing and rehabbing the Nelson Well, estimated to be up to \$210,000. He noted the request of BVMWC to credit their account to be used for future SWP purposes.

The total estimated cost for Board consideration is \$1.25 million, Mr. Huang concluded. The source of revenue is payments collected by Valley District from Big Bear Municipal Water

District based on percentage of their assessed value, estimated this year to be about \$1.7 million.

In response to Director Longville, Mr. Huang provided detail on the Nelson Well. It is owned by BVMWC and is located in the City of Redlands. He reminded the Board of a similar rehab transaction performed last year and confirmed that this well is part of a combination used to meet the in-lieu obligation.

Action Item(s): The Board voted to move this item forward for consideration to a regular Board of Directors meeting by the following roll-call vote:

There was no motion or second.	APPROVED: 5-0
AYES:	Botello, Harrison, Hayes, Kielhold, Longville
NOES:	None
ABSTAIN:	None
ABSENT:	None

4.4 Consider First Amendment of Easement for the Foothill Pipeline at 7415 Via Deldene in the City of Highland

Mr. Huang provided history on Valley District’s Foothill Pipeline easement. As the area started to develop, city streets mostly aligned with the pipeline but there are areas through private property, he explained. The owners of the vacant land at 7415 Via Deldene recently approached the District to develop the property with a main house and accessory dwelling unit, Huang explained. He presented the plot plan and noted none of the buildings are encroaching into the easement, but there are three areas where the building overhang or patio covers encroach. Staff discussed with the property owner the need for access and the owner agreed that restoration of any building improvements within the easement would be the cost burden of the property owner.

Any costs incurred in the future such as access for an excavator should be minimal, Mr. Huang noted. The easement will have the building plans incorporated and recorded, so any future modifications will need to come to the District for review and approval, Huang advised.

Director Harrison opined it would be nice to accommodate the property owners if possible. Director Longville addressed the property owner, Amelia Erika Velarde and asked for clarification on the overhangs encroaching on the easement. Ms. Velarde assured there are no structures on the easement.

Mr. Huang added that the first amendment of the easement was drafted by house counsel, Varner & Brandt.

In response to President Kielhold, Mr. Huang reviewed the locations of the dwelling units on the plan and noted the house is mislabeled as “new garage.”

Ms. Velarde noted the necessity for creativity with the plan and thanked the Board for their consideration.

Action Item(s): The Board voted to move this item forward for consideration to a regular Board of Directors meeting by the following roll-call vote:

There was no motion or second.	APPROVED: 5-0
AYES:	Botello, Harrison, Hayes, Kielhold, Longville
NOES:	None
ABSTAIN:	None
ABSENT:	None

5. Future Business.

Ms. Dyer confirmed for Vice President Hayes that legal counsel will be present at Thursday’s meeting.

6. Adjournment.

Chair Harrison adjourned the meeting at 3:25 p.m.

Staff Recommendation

Receive and file.



DATE: June 7, 2022
TO: Board of Directors
FROM: Staff
SUBJECT: Summary of May 12, 2022, Board of Directors Workshop – Policy

The Policy Workshop convened on May 12, 2022. Director Botello chaired the meeting via video conference.

Directors Present: President Kielhold, Vice President Hayes, Director Botello, Director Harrison, and Director Longville.

Staff Present:

Heather Dyer, MS, MBA – Chief Executive Officer/General Manager
Jose Macedo, ML, CPT-P (USA Retired) – Chief of Staff/Clerk of the Board
Cindy Saks, CPA – Deputy General Manager/Chief Financial Officer
Bob Tincher, PE, MS – Deputy General Manager/Chief Water Resources Officer
Melissa Zoba, MBA, MPA – Chief Information Officer

Kristeen Farlow, MPA – Strategic Communications Manager
Anthony Flordelis – Business Systems Analyst
Adekunle Ojo, MPA – Water Resources Manager
Karen Resendez, MA – Human Resources / Risk Manager

Bradley Neufeld, Varner & Brandt

Members of the Public Present:

Nyles O'Harra, Yucaipa Valley Water District
Melody McDonald, San Bernardino Valley Water Conservation District
David E. Raley, San Bernardino Valley Water Conservation District
Richard Babbe, PFM Asset Management
Robert Stewart, San Bernardino Valley Water Conservation District
Elizabeth Touns, IE Works
Scott Goodell, IE Works

1. Introductions

Chief Executive Officer/General Manager Heather Dyer introduced staff members.

2. Public Comment

Chair Botello invited public comment. There was none.

3. Summary of Previous Meeting

The meeting notes from the April 14, 2022, Board of Directors Workshop – Policy were accepted with no corrections.

4.1 Quarterly Investment Portfolio Update with PFM Asset Management and Review of the District's Investment Policy

Deputy General Manager/Chief Financial Officer Cindy Saks introduced Richard Babbe to present the quarterly investment portfolio report and explained the requirement under California Government Code for the Board to perform an annual review of the District's investment policy.

District financial advisor Richard Babbe from PFM Asset Management reviewed the quarterly investment portfolio activity. Mr. Babbe reported on the Fed's change in the interest rate to address elevated inflation, market trends, and the current composition and performance of the District's portfolio.

Mr. Babbe also reported PFM has reviewed the District's Investment Policy and noted there were no changes to the relevant Code sections, effective January 1, 2022, that would require any updates to the Policy. The Board reviewed the District's investment policy as required by the California Government Code.

Director Longville encouraged the Board to consider re-examining the Investment Policy objective after completion of the Climate Adaptation and Resiliency Policy.

Action Item(s): Receive and File

4.2 Update on IE Works Program Participation

Chief Executive Officer/General Manager Heather Dyer reviewed the \$1.1 million IE Works grant program for water and wastewater workforce development. It is a collaborative effort to develop a career pathway in the Inland Empire, she explained. Valley District signed on as a charter member in 2021. Partners pay in based on the size of the organization, and Valley District has been participating at different levels throughout the year. Ms. Dyer has served on an interim Board for startup of the nonprofit, Kristeen Farlow and Karen Resendez have also been engaged via a committee at the staff level.

Ms. Dyer advised she has heard many good things about the high-caliber candidates coming out of this program who have gone on to be hired at agencies. The program is working at the apprentice and job level, she stated. Valley District wants to stay engaged and develop the program and apprenticeships, which has benefits to the District and the people in the community entering the industry.

Ms. Dyer presented options on continued participation in IE Works. The organization will become a nonprofit and Valley District can continue to participate in the governance structure, with a Board member serving on the nonprofit, she said. Right now, the effort is led by West Valley Water District (WVWD) which obtained the grant and brought Elizabeth Tibbs and Scott Goodell on board. Alternatively, participation would continue at the technical level as a “customer” of IE Works for apprenticeships, Ms. Dyer explained.

Ms. Dyer pointed to the organization bylaws which have been reviewed by District legal counsel Brad Neufeld and advised that Valley District does not typically serve on nonprofit boards.

Mr. Neufeld stated that if it is the Board’s pleasure to continue in the governance structure, there are some concerns about the bylaws, and legal would want to do some significant work on the language. However, if the Board just wishes to be a customer, he continued, the discussion is not needed.

President Kielhold said he remembered signing on to the program, but not the inclusion of providing staff. Ms. Dyer responded that at the time, it was expected that someone would represent Valley District on the IE Works Board, and said she believed the Board assigned the general manager. Ms. Dyer recalled discussion about staff serving on a technical advisory committee.

Director Harrison pointed to the letter from Best, Best and Krieger and asked legal counsel to comment. Mr. Neufeld said there are shared concerns and detailed some provisions of

the bylaws. He expressed support for the concept of the apprenticeship program and recommended some language in the bylaws be tightened before taking a governance role.

At the request of Director Harrison, Neufeld elaborated on some bylaw's sections. Mr. Scott Goodell provided clarification regarding the inclusion of collective bargaining units in membership. He reminded that IE Works is from the workforce development world. Labor is an important voice on a board, and in the objective in development of the first group of stakeholders, resources, and structure. He pointed to bylaws section 5.02 and the composition of the board with eight seats reserved for water and wastewater agencies. Labor participates on local workforce development boards with one or two votes, so this is in alignment with that model, he advised.

Director Longville asked if the annual commitment of \$765 remains the same whether participating in the governance structure; Ms. Dyer said the \$765 would remain as the annual dues, plus there would be an additional cost associated with taking on apprentices.

Director Harrison expressed concern about inclusion of the bargaining units and asked under which category the bargaining unit member would fall. Mr. Goodell said it would be the one seat reserved for student / alumnus or worker representative.

President Kielhold asked how much staff the District would be obligated to provide. Mr. Goodell explained the role of the Board in strategic planning and fundraising. Below that, IE Works is made up of a Leadership Committee with agency participation, Goodell noted. Ms. Dyer indicated that there is no requirement for staff; participation is at the discretion of the agency and Valley District is transitioning that role from Kristeen Farlow to Karen Resendez.

Ms. Dyer recommended that if the Board chooses to proceed as part of the governance structure and the board, that the Board President appoint a Valley District Director to sit on the nonprofit board, as her time is now limited and there are other elected officials on that board and the structure will work better with an elected official.

Director Botello reminded of his strong workforce background and expressed concern about the bargaining unit member. He also pointed out that the District is not a small business and said that the ex-officio determinations represent a red flag for him and seem odd. He stated that things need to be ironed out and as a District, the Board must be prudent and calculated in its participation. Supporting the effort as a customer would be safe for the District, he noted. He said he hoped that if the bylaws went back to District legal counsel it would be a deeper dive. Mr. Neufeld said they would have some recommendations to tighten up the language and remove some of the ambiguities. If it is the pleasure of the Board, legal would also look at the Articles of Incorporation, he stated.

Director Botello questioned whether it was proper for the Board to be full participants on a nonprofit.

In response to Ms. Dyer, Ms. Elizabeth Tibbs of IE Works assured there would be an opportunity to review and revise the bylaws.

Director Harrison suggested continuing the matter, and in the meantime have legal counsel look more deeply. He also volunteered to review the document.

Action Item(s): The Board of Directors directed legal counsel to further review the bylaws and directed staff to continue this item to a future meeting by the following roll-call vote:

There was no formal motion or second.	APPROVED: 5-0
AYES:	Botello, Harrison, Hayes, Kielhold, Longville
NOES:	None
ABSTAIN:	None
ABSENT:	None

5.1 State and Federal Legislative Report

Strategic Communications Manager Kristeen Farlow introduced the written report.

Director Longville suggested adding SB 852 (Dodd) to the list of watched legislation.

Director Harrison noted he would be in Sacramento next week and asked if there were any items of current concern that should be addressed with the elected officials.

Ms. Farlow said nothing is apparent, as the State Water Contractors are keeping good tabs on some items.

Mr. Neufeld suggested mentioning to Senator Roscilie Ochoa-Bogh AB 1944 and AB 2449 the two bills related to relaxing some of the Brown Act requirements to ease the more onerous videoconferencing regulations.

Action Item(s): Receive and File

6. Future Business

None added.

Director Botello thanked staff and guests.

Director Harrison thanked Melody McDonald of the San Bernardino Valley Water Conservation District for a wonderful 90th anniversary celebration on May 11 and noted the incredible job done by retiring General Manager Daniel Cozad over the years

7. Adjournment.

Chair Botello adjourned the meeting at 2:50 p.m.

Staff Recommendation

Receive and file.



DATE: June 7, 2022

TO: Board of Directors

SUBJECT: List of Announcements

A. June 7, 2022, 9:30 a.m. – SAWPA Commission Meeting

B. June 7, 2022, 10:00 a.m. – SAWPA PA 24 Meeting

C. June 7, 2022, 2 p.m. – Regular Board Meeting by Teleconference

D. June 8, 2022, 8:30 a.m. – Upper SAR WIFA Technical Advisory Committee -

CANCELLED

E. June 8, 2022, 1:30 p.m. – San Bernardino Valley Water Conservation District Board Meeting

F. June 9, 2022, 2 p.m. – Board Workshop – Policy (Teleconference and/or in-person TBD)

G. June 14, 2022, 2 p.m. – General Fund Budget Workshop (Teleconference and/or in-person TBD)

H. June 15, 2022, 8:30 a.m. – Upper SAR WIFA by Teleconference (Teleconference and/or in-person TBD)

I. June 20, 2022, 6 p.m. – ASBCSD dinner (TownePlace Suites by Marriott Loma Linda)

J. June 21, 2022, 9:30 a.m. – SAWPA Commission Meeting

K. June 21, 2022, 2 p.m. – Regular Board Meeting (Teleconference and/or in-person TBD)

L. June 22, 2022, 8:30 a.m. – Upper SAR WIFA Technical Advisory Committee (Teleconference and/or in-person TBD)