




The meeting teleconference will begin shortly

Listen to the meeting by using your computer or tablet speakers
or by calling **(877) 853 5247** using meeting ID **684-456-030**

View the live meeting presentation at <https://sbvmwd.zoom.us/j/684456030>
PASSCODE: 3802020

Public comments, suggestions or questions regarding technical issues may be emailed
to comments@sbvmwd.com



Please use the chat feature in the Zoom toolbar to let the moderator know that you would like to make a comment during the meeting or use the digital “raise hand”  function in Zoom.



Please mute your microphone during the meeting to reduce background noise. Click on the microphone icon to unmute your microphone if needed.



Call to Order

Regular Meeting of the Board of Directors
Tuesday, March 7, 2023

Pledge of Allegiance



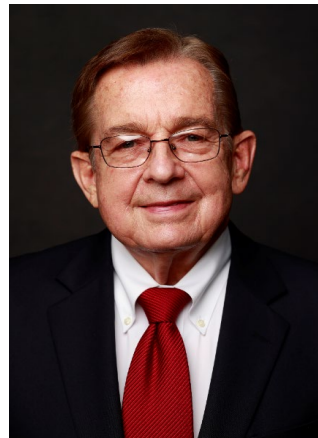
Roll Call



Paul Kielhold
President



June Hayes
Vice President



**T. Milford
Harrison**
Treasurer



Gil J. Botello
Director



Susan Longville
Director

Public Comment

Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items except as authorized by law. Each speaker is limited to a maximum of three (3) minutes.

Consent Calendar

All matters on the Consent Calendar may be approved by one motion. Any member of the Board of Directors may request an item be removed from the Consent Calendar for discussion or separate action.

Consent Calendar 2.1 – 2.4

2.1 Approve Minutes of the Regular Board of Directors' Meeting - February 3, 2023 (pg. 4)

2.2 Approve Minutes of the Board of Directors' Workshop - February 9, 2023 (pg. 12)

Board Motion & Roll Call Vote

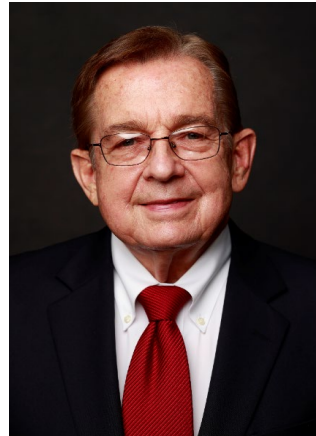
Staff Recommendation Approve Consent Calendar items 2.1 – 2.2



Paul Kielhold
President



June Hayes
Vice President



**T. Milford
Harrison**
Treasurer



Gil J. Botello
Director



Susan Longville
Director



Discussion Items 3.1-3.2

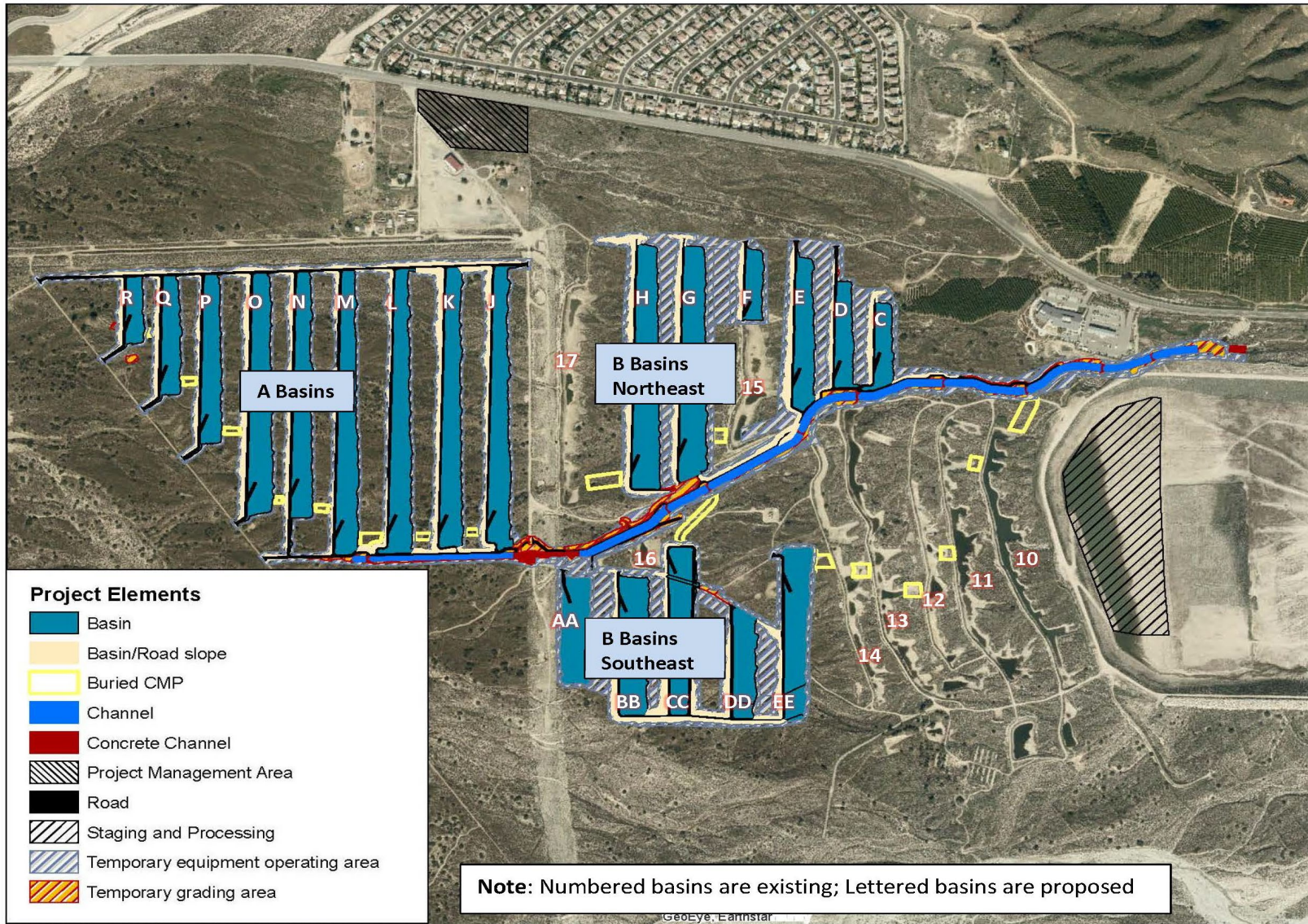
Heather Dyer, MS, MBA – Chief Executive Officer/General Manager

Discussion Item 3.1

(Pg. 19)

Wen Huang
Leo Ferrando

Consider Construction Bid Award to Bogh
Engineering for the Santa Ana River Enhanced
Recharge - Phase IB Project



Summary of Bidding & Review

- On Feb 7, 2023, a bid opening conducted for Enhanced Recharge 1-B
 - Seven (7) bids received
 - Bogh Engineering is the apparent lowest bidder at \$51,390,900
- On Feb 15, a bid protest was received from Lanak & Hanna, on behalf of the 2nd lowest bidder of Empire Equipment, to:
 - Challenge that Bogh's bid is non-responsive because it is allegedly materially unbalanced; and
 - Requested that the Board reject Bogh's bid and award the contract to Empire
- On Feb 22, Bogh Engineering provided a response in response to Empire's protest. Bogh stated that Empire's bid protest fails to demonstrate that Bogh's bid was non-responsive and requested that Empire's bid protest be disregarded



Bid Proposal Cost Summary

1. BOGH ENGINEERING, INC.	\$ 51,380,900
2. EMPIRE EQUIPMENT SERVICE, INC.	\$ 60,120,430
3. GRIFFITH COMPANY	\$ 60,705,000
4. SKANSKA USA CIVIL WEST CALIFORNIA DISTRICT, INC.	\$ 62,650,000
5. SUKUT CONSTRUCTION, LLC	\$ 70,915,000
6. BALFOUR BEATTY INFRASTRUCTURE, INC.	\$ 73,050,000
7. GRANITE CONSTRUCTION CO.	\$ 74,005,000

Consideration

- Staff has reviewed the bids and confirmed that Bogh Engineering is a responsible bidder and its submitted bid is responsive.
- Upon receipt of the bid protest, Staff conducted a thorough technical review of the bids and the basis for the protest.
 - Staff does not believe there was any merit or basis for Empire's claims.
 - Bogh's bid distribution is generally consistent with the Engineer's estimates and other bids, i.e., grading is approximately 40-60% of the overall cost of the Project
 - Grading will likely be performed largely throughout the duration of the Project. As a result, it was not believed that Bogh's bid is unbalanced or front loaded
- District Special Construction Counsel, Mary Salamone, reviewed the bids, Empire's bid protest, and Bogh's response to bid protest and concluded that Empire's bid protest lacks merit and recommended the Board to reject the bid protest.

Cost Summary of SARER-1B for Consideration

Category	Estimated Cost
Construction Cost Based on the Lowest Bid	\$51,380,900
Construction Contingency (10%)	\$5,138,090
Material Testing & Environmental Monitoring	\$3,500,000
Security Deposit with CDFW	\$4,500,000
Total Estimated Costs for Budget Authorization	\$64,518,990*
Grants	-\$4,500,000
Total Estimated Project Costs	\$60,018,990

*This project is being financed through the Water Infrastructure Finance and Innovation Act (WIFIA), Loan I. WMWD and Riverside entities share the costs per the Watermaster split of 27.95%, or up to \$ 18,033,058.

Staff Recommendations

1. Reject the Empire Equipment Services' bid protest as advised by counsel.
 2. Award the construction to Bogh Engineering, Inc. for \$51,380,900 and authorize the execution of the agreement;
 3. Approve contingency costs of up to \$5,138,090 (10%);
 4. Authorize professional inspection, material testing, and environmental biological monitoring up to a budgetary amount of \$3,500,000; and
 5. Approve a security refundable deposit up to \$4,500,000 to CDFW;
- or
- **Option** to Receive the information and direct Staff to place this item on the Consent Calendar for final approval at the March 21 Meeting

Board Motion & Roll Call Vote

Staff Recommendation
Previous slide



Paul Kielhold
President



June Hayes
Vice President



**T. Milford
Harrison**
Treasurer



Gil J. Botello
Director



Susan Longville
Director

Discussion Item 3.2

(Pg. 36)

Leo Ferrando

Consider Amended Cost Sharing Agreement Between Western Municipal Water District, the City of Riverside, and San Bernardino Valley Municipal Water District for Costs Associated with the Enhanced Recharge Project

2013 Cost-Sharing Agreement for Seven Oaks Enhanced Recharge Project

1. 2013 Original Cost Share Agreement with WMWD (Current)
2. Cost split based on the 1969 Western Judgment
 - Valley (SB Entities) - 72.05%
 - Western (Riverside Entities) - 27.95%
3. Project Related Costs Reimbursements every 90 days
4. Approximately \$9.8 Million reimbursed to date

Proposed Amendment to the 2013 Cost-Sharing Agreement



1. This Proposed Amendment adds Riverside as a Party
2. Project Related Costs Reimbursements every 30 days
3. Agree and Commit to the Construction of Phase 1B
4. Cost split based on the 1969 Western Judgment
 - Valley (SB Entities) 72.05%
 - Western (Plaintiffs) 27.95%
 - City of Riverside 22.49%

Enhanced Recharge Project Phase 1B Projected Costs



	Project Totals	Riverside Entities (27.95%)
Construction Contract	\$51,380,900	\$14,360,962
10% contingency	\$5,138,090	\$1,436,096
Inspections, Testing Services, and Biological Monitoring Services	\$3,500,000	\$978,250
Mitigation Costs/Security Deposit	\$4,500,000	\$1,257,750
Total Estimated Costs for Budget Authorization	\$64,518,990	\$18,033,058
Grants	-\$4,500,000	-\$1,257,750
Total Estimated Project Costs	\$60,018,990	\$16,775,308

Staff Recommendation

- Authorize the CEO/General Manager to execute the Amended Cost Sharing Agreement between Western, Riverside, and Valley for Costs Associated with the ERP, including any non-substantiative changes; or
- Option to Receive the information and direct Staff to place this item on the Consent Calendar for final approval at the March 21 Board of Directors' Meeting

Board Motion & Roll Call Vote

Staff Recommendation
Previous slide



Paul Kielhold
President



June Hayes
Vice President



**T. Milford
Harrison**
Treasurer



Gil J. Botello
Director



Susan Longville
Director

Discussion Item 3.3

(Pg. 334)

Heather Dyer

Consider WIFIA Loan Documents and financing strategy for the Enhanced Recharge Project Phases IA and Phase IB



BOARD MEETING

**Fieldman, Rolapp &
Associates, Inc.**

Lora Carpenter



Financial Advisor Table of Contents

1. Overview of WIFIA Loan Projects
2. Financing Plan
3. WIFIA Loan Schedule
4. WIFIA Loan Legal Documents

Overview of WIFIA Loan Projects

Loan #1 WIFIA Projects

Loan #2 WIFIA Projects

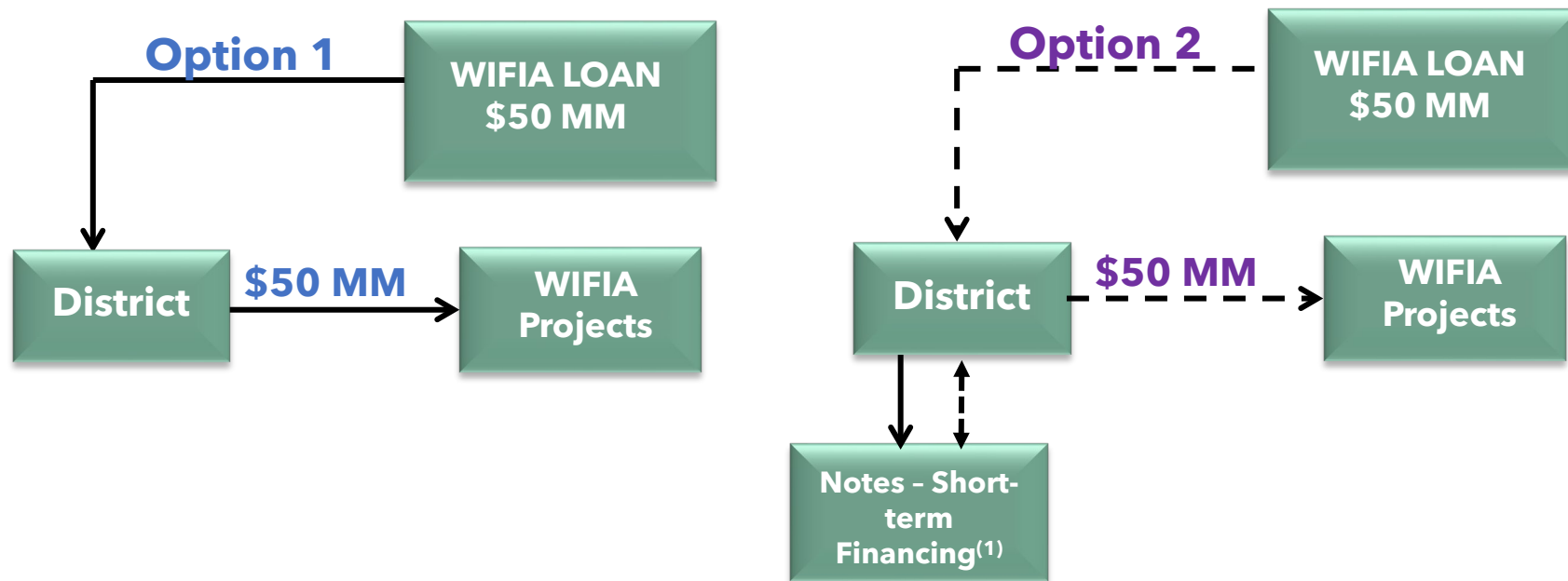
WIFIA Project	Total Estimated Project Cost ¹	Proposed WIFIA Loan Funding	Proposed Funding From Other Sources ²
V07 - Enhanced Recharge Phase 1B	\$84,618,900	\$56,918,796	\$27,700,104
V08 - Enhanced Recharge Phase 1A Liner	\$1,900,000	\$1,900,000	\$0
V13 - HCP Tributaries Restoration	\$18,582,200	\$0	\$18,582,200
V06 - Regional Recycled Water System Phase 1 (Pipeline and Weaver Basins)	\$69,765,391	\$0	\$69,765,391
V11 - SAR Sustainable Park & Tributaries Water Reuse (West Branch)	\$36,496,200	\$18,248,100	\$18,248,100
V01 - Acquisition of Greenspot Pump Station	\$14,000,000	\$0	\$14,000,000
V12 - Active Recharge Projects and Highland Hills Land Acquisition	\$28,736,000	\$0	\$28,736,000
V10 - Headwaters Resilience Multi-Purpose Area	\$32,500,000	\$0	\$32,500,000
TOTAL	\$286,598,691	\$77,066,896	\$209,531,795

¹ Reflects estimated project costs inclusive of additional contingency estimates recommended by the Environmental Protection Agency ("EPA"). Does not include estimated financing costs. Subject to change based on approval from the EPA.

² Includes funding from SBVMWD general and SWP funds, estimated funding from RPU, Western MWD and the Conservation District.

WIFIA Loan Options

- WIFIA Loan #1 (“WIFIA Loan”) will provide funding of approximately \$45-\$70 million of capital improvements for San Bernardino Valley Municipal Water District (“District”) related to Enhanced Recharge construction
 - ✓ Final draw depends on the project cost needs and estimated financing costs
- The District has two options to pay the construction costs:
 - WIFIA Loan at US Treasury Rate OR
 - Short Term Notes at Tax-Exempt Rate (Refinanced with the WIFIA Loan)



(1) The short-term notes are expected to be paid off with proceeds from the WIFIA Loan.

Finance Plan Overview

WIFIA Loan

- Funds 49% of eligible project costs.
- A single fixed interest rate is established at loan closing based on the US Treasury rate, plus 0.01%.
- WIFIA loan payments may be deferred up to five (5) years after project's substantial completion.
- WIFIA loans can be combined with various funding sources.
- The WIFIA loan can be prepaid in whole or in part at any time with no prepayment penalty.
- The WIFIA loan can be used to takeout existing debt used to finance project costs during construction to take advantage of lower short-term interest rates, if any.

WIFIA Short Term Notes

- Potential to avoid a Development Default under the WIFIA Loan.
- Potential financial benefit from issuing at short-term tax-exempt rates which are typically lower than the taxable WIFIA Loan rate.
- Retain opportunity to reset rate on the WIFIA Loan, if market conditions allow.
- Reinvestment rates (US Treasuries) range 4.60% - 5.00%.
- If District can spend all Note proceeds within 24 months of issuing Notes, District can retain earnings for additional capital projects.

WIFIA Loan Schedule

Proposed Board Approval Schedule:

- | | |
|--|----------|
| •San Bernardino Valley Municipal Water District | March 7 |
| •Upper Santa Ana River Watershed Infrastructure FA | March 15 |

WIFIA Loan Execution:

- | | |
|--|-------------|
| •Receive final WIFIA Loan Rating | Spring 2023 |
| •Execute and Close WIFIA Loan ⁽¹⁾ | Spring 2023 |

⁽¹⁾The WIFIA Loan interest rate is locked in on the date of closing.

WIFIA Loan Documents

- WIFIA Master Agreement - Agreement among the US EPA, USARWIFA and District to set forth terms and conditions applicable to each prospective WIFIA financing
- WIFIA Loan Agreement (WIFIA Loan #1) - Agreement among the US EPA, USARWIFA and District to set forth terms specific to the first WIFIA financing
- WIFIA Installment Purchase Agreement - Agreement between the USARWIFA and District to establish payments by the District of installment payments to USARWIFA from certain revenues and describes certain covenants for the benefit of the US EPA
- WIFIA Term Sheet - Reflects the terms and conditions with respect to the WIFIA Master Agreement and WIFIA Loan Agreement

Summary

- Benefits of Water Infrastructure and Financing Innovation Act (WIFIA)
- Action Items Today

WIFIA Master Agreement with EPA and Installment Purchase Agreement with USAR WIFA for the full \$93,066,896 WIFIA loan authorized amount; the maximum amount can be borrowed over multiple loans like a line of credit

Loan Agreement and Term Sheet for WIFIA Loan #1 to fund the construction of Enhanced Recharge Stormwater Capture Project; estimated loan agreement amount of \$69.8 million or lower, like a line of credit

Interim financing (short-term notes) to meet construction cash flows needs; authorization to match Master Agreement but actual amount borrowed is tied to construction – estimated at \$43.2 million

Staff Recommendation

- Adopt Resolution No. 1171 authorizing the execution and delivery of the WIFIA Master Agreement, Loan Agreements, Term Sheets, and Installment Purchase Agreements related to the Watershed Connect Program and authorize interim financing up to \$93,066,896.

Alternative:

- Receive the information today and direct Staff to place this item on the Consent Calendar for final approval at the March 21 Board of Directors' meeting.

Board Motion & Roll Call Vote

Staff Recommendation
Previous slide



Paul Kielhold
President



June Hayes
Vice President



**T. Milford
Harrison**
Treasurer



Gil J. Botello
Director



Susan Longville
Director

Reports Item 4.1 (pg. 567)

CEO/General Manager's Report

Reports Item 4.2

Directors' Report of Activities and Travel Requests in
accordance with Resolution 1100

Reports Item 4.3

General Counsel Report

Reports Item 4.4

SAWPA Meeting Report



SAWPA MEETING SUMMARY

March 7, 2023 Regular Meeting

SAWPA Commission

- Reviewed and discussed the Draft FYE 2024 and 2025 General Fund Draft Budget.

PA 24 Committee

- Directed the General Manager to file a Notice of Exemption for the Inland Empire Brine Line Agua Mansa Lateral Project with the San Bernardino County Clerk's Office; and
- Directed the General Manager to issue a Notice Inviting Bids, upon completion of the Final Plans and Specifications for the Construction of the Inland Empire Brine Line Agua Mansa Lateral Project.
- Adopted the Draft FYE 2024 and 2025 Brine Line Fund Budget.

Future Business

Announcements Item 6.1 (pg. 573)

March 7, 2023, 9:30 a.m. – SAWPA Commission Meeting

March 7, 2023, 10:00 a.m. – PA 24 Committee Meeting

March 7, 2023, 2 p.m. – Regular Board Meeting by Teleconference or In-Person

March 8, 2023, 8:30 a.m. – Upper SAR WIFA Technical Advisory Committee In-Person (Cancelled)

March 8, 2023, 1:30 p.m. – SBVW Conservation District Board Meeting

March 13, 2023, 2 p.m. – San Bernardino Basin Groundwater Council Meeting InPerson

March 14, 2023, 2 p.m. – Board Workshop – Resources/Engineering by Teleconference or In-Person

March 15, 2023, 8:30 a.m. – Upper SAR WIFA In-Person

March 16, 2023, 9:00 a.m. – Headwaters Resiliency Partnership Committee Meeting by Teleconference

March 20, 2023, 6 p.m. – ASBCSD dinner (Location TBD)

March 21, 2023, 9:30 a.m. – SAWPA Commission Meeting

March 21, 2023, 2 p.m. – Regular Board Meeting by Teleconference or In-Person

March 22, 2023, 8:30 a.m. – Upper SAR WIFA Technical Advisory Committee InPerson

April 4, 2023, 2 p.m. – Regular Board Meeting by Teleconference or In-Person

Closed Session

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



Adjournment
