

Approved October 9, 2019

**EAST VALLEY WATER DISTRICT
REGULAR BOARD MEETING**

September 11, 2019

MINUTES

The Chairman of the Board called the meeting to order at 5:30 p.m. Director Goodrich led the flag salute.

PRESENT: Directors: Carrillo, Coats, Goodrich, Morales, Smith

ABSENT: None

STAFF: John Mura, General Manager/CEO; Brian Tompkins, Chief Financial Officer; Jeff Noelte, Director of Engineering and Operations; Justine Hendricksen, District Clerk; Shayla Antrim, Senior Administrative Assistant

LEGAL COUNSEL: Marty Cihigoyenetché

GUEST(s): Members of the public

PUBLIC COMMENTS

Chairman Carrillo declared the public participation section of the meeting open at 5:30 p.m.

There being no written or verbal comments, the public participation section was closed.

APPROVAL OF AGENDA

M/S/C (Smith-Coats) that the September 11, 2019 agenda be approved as submitted.

DIRECTORS' FEES AND EXPENSES FOR AUGUST 2019

M/S/C (Coats-Goodrich) that the Board approve the Directors' fees and expenses for August 2019 as submitted.

SMART METER PORTAL (AMI) PRESENTATION

The Chief Financial Officer provided information regarding the District's Advanced Metering Infrastructure (AMI) project and the new Smart Meter Portal; he gave an overview of the progress of the project to date; he stated that the District has worked with Tyler Technologies in developing a Smart Meter Portal that gives customers' access to their water usage. Ms. Crystal Hess, Customer Service Representative III, demonstrated the Smart Meter Portal and reviewed its features. The Chief Financial

Officer stated that the District will begin with a soft launch of the portal as soon as next week and expect to fully launch the portal beginning in October.

GUARANTEED MAXIMUM PRICE (GMP) OF WASTEWATER DIGESTER FOR STERLING NATURAL RESOURCE CENTER

The General Manager/CEO stated that the Sterling Natural Resource Center project is being developed using a progressive design-build method, which provides flexibility to enhance the project throughout construction; he stated that digester technology had always been contemplated since the beginning of the project, but at the time it did not appear financially feasible; he stated staff has met with Anaergia which presented an alternative way to continue with digesters. He stated that it would be much less expensive to add digesters to the project now instead of after the project is completed.

The Director of Engineering and Operations presented the proposed project enhancement of the Sterling Natural Resource Center as it relates to anaerobic digestion system; he provided an overview of the project timeline and milestones. He provided a schematic representation of the proposed enhancement to wastewater treatment process and briefly described the proposed anaerobic digestion system. He discussed project sustainability and how surplus energy revenue of the digestion system may benefit the District. He stated that due to the proprietary technology of Anaergia, the District would enter into a sole-source contract. He discussed construction funding opportunities, including Southern California Edison incentives, sales tax exclusions, and savings provided by Anaergia. He stated that the District is looking to revise the Guaranteed Maximum Price (GMP) to include an additional \$32,917,000; and he provided a breakdown of the proposed digester funding.

M/S/C (Goodrich-Morales) that the Board authorize the incorporation of co-digestion into the project scope of the Sterling Natural Resource Center for the amount not to exceed \$32,917,000 to include:

- 1) Authorize the General Manager/CEO to execute a contract amendment with Balfour Beatty for a not-to-exceed price of \$12,687,000 for additional design-build services to provide an anaerobic digestion system as part of the SNRC;
- 2) Authorize the General Manager/CEO to execute a sole-source contract with Anaergia for a not-to-exceed price of \$20,230,000 for engineering services and equipment related to the anaerobic digestion system; and
- 3) Authorize the use of up to \$1,417,000 in District Funds which may include reserves, capacity fees, and/or operating revenues.

REVIEW AND APPROVE ACCESS CONTROL AND REMOTE ACCESS POLICIES

The Chief Financial Officer discussed the importance of implementing the Remote Access and Access Control Policies; he provided an overview of security features and gave examples of why the policy is being implemented. He stated that staff sought guidance from information technology consultants, National Institute of Standards and Technology, and SANS Institute in developing the policies. The General Manger/CEO

noted that both policies were reviewed by the Finance and Human Resources Committee.

M/S/C (Morales-Coats) that the Board approve the Remote Access and Access Control Policies as submitted.

BOARD OF DIRECTORS' REPORTS

Director Goodrich reported on the following: September 3 he met with the General Manager/CEO for a progress update of the Sterling Natural Resource Center; and September 4 he attended the City of San Bernardino Council meeting.

Director Morales reported on the following: September 5 he met with the General Manager/CEO where he received Sterling Natural Resource Center and District updates; and September 10 he attended the San Bernardino Board of Water Commissioners meeting where they adopted the Sewer Master Plan.

Director Coats reported on the following: September 3 he attended San Bernardino Valley Municipal Water District Board meeting; September 4 he met with the General Manager/CEO to discuss wastewater digesters for the Sterling Natural Resource Center (SNRC); and September 9 he met with the General Manger/CEO for a site visit to the SNRC.

Vice Chairman Smith reported on the following: September 5 he met with the General Manager/CEO to review the agenda and for an update of the Sterling Natural Resource Center; September 6 he attended the Legislative and Public Outreach Committee meeting where they discussed the Sewer System Management Plan and the Emergency Response Plan; and September 11 he attended the San Bernardino Valley Water Conservation District Board meeting.

Chairman Carrillo reported on the following: September 3 he met with the General Manger/CEO to discuss wastewater digesters for the Sterling Natural Resource Center; September 5 he met with the General Manger/CEO to review the agenda; September 6 he attended the Legislative and Public Outreach Committee meeting; and September 10 he attended the Highland Chamber of Commerce meeting where Chief Billings discussed homelessness within the community.

Information only.

GENERAL MANAGER/CEO REPORT

The General Manager/CEO reported on the following: September 6 staff provided updates to the Legislative and Public Outreach Committee on the District's Emergency Response Plan, current legislative activity and ongoing outreach efforts; and September 7 the District hosted a Conservation Workshop, helping customers to design their dream landscaping with over 100 people in attendance. He stated that the next workshop will be November 2.

The General Manager/CEO made announcements: he was appointed to sit on the Board of Directors for the Highland Senior Center and will be attending their annual Board Retreat on September 19; and the Community Heritage and Education Foundation received its first donation in the amount of \$100,000.

The General Manager/CEO reminded the Board of upcoming events:

- September 22-28 - Special District's Week. This is an opportunity to highlight the benefits that special districts provide to the community. The District will celebrate with informative social media posts during that period.
- September 24 - The Chairman of the Board will be presenting a District update at the Highland Chamber of Commerce luncheon.
- The September 25 Board meeting is canceled, as quorum of the Board will be attending the California Special District's Association Annual Conference.
- September 23 at 2:30 p.m. - Engineering and Operations Committee meeting.

LEGAL COUNSEL REPORT

No report at this time.

BOARD OF DIRECTORS' COMMENTS

Director Coats asked everyone to remember those that were lost 18 years ago on September 11.

Director Morales referred to agenda item #6: September 6 he attended the East Valley Association of Realtors Legislative Committee meeting where he delivered a Sterling Natural Resource Center update.

Director Goodrich thanked everyone involved in the Sterling Natural Resource Center Digester project; and he is grateful to all that made it happen, especially the funding.

Chairman Carrillo praised the partners of the Sterling Natural Resource Center project for embracing the District's core values: leadership, partnership and stewardship.

Information only.

ADJOURN

The meeting adjourned at 6:53 p.m.



Chris Carrillo, Board President



John Mura, Secretary