

Approved January 23, 2019

**EAST VALLEY WATER DISTRICT
REGULAR BOARD MEETING**

November 14, 2018

MINUTES

The Chairman of the Board called the meeting to order at 4:30 p.m.

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; Kelly Malloy; Director of Strategic Services; Justine Hendricksen, District Clerk; Shayla Gerber, Senior Administrative Assistant

LEGAL COUNSEL: Jean Cihigoyenetché

GUEST(s): Members of the public

PUBLIC COMMENTS

Chairman Carrillo declared the public participation section of the meeting open at 4:30 p.m.

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

APPROVAL OF AGENDA

M/S/C (Coats-Smith) that the November 14, 2018 agenda be approved as submitted.

CLOSED SESSION

The Board entered into Closed Session at 4:31 p.m. as provided in the Ralph M. Brown Act Government Code Section 54956.9(d)(1) and 54956.9(d)(2) to discuss the item(s) listed on the agenda.

THE BOARD RECONVENED THE MEETING AT 5:30 P.M.

Director Goodrich led the flag salute.

ROLL CALL

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

ABSENT: None

ANNOUNCEMENT OF CLOSED SESSION ACTIONS

With respect to Item #2: Legal Counsel stated that information was provided to the Board regarding the case *Mora vs. City of Highland et al*, where East Valley Water District was named defendant; that the matter was handled by the District's joint power risk management insurance company, which assumed the responsibility and costs associated with defending this lawsuit; he noted that the District will not be paying any of the settlement proceeds. He stated that a global settlement was reached and the amount attributable to East Valley Water District was \$52,500; and listed the amounts apportioned to other agencies: First American Title \$27,500, City of Highland \$25,000, and San Bernardino Flood Control \$20,000.

With respect to Item #3: Legal Counsel stated that it was brought to the Board for consideration the waiver of connection fees submitted by the developer Mastercraft for a parcel with 13 lots being developed in East Highlands Ranch PUD development; that the developer stated that under an agreement executed in the early 80's with East Highlands Ranch Corporation, that they were entitled to a waiver of connection fees. Legal Counsel advised the Board that after evaluation of documents associated with the case, Mastercraft's claim is not supported.

M/S/C (Coats-Morales) the Board unanimously voted (5-0) to reject the claim and protest submitted by Mastercraft.

PUBLIC COMMENTS

Chairman Carrillo declared the public participation section of the meeting open at 5:32 p.m.

Mr. Pat Wallace made a public comment regarding the District's policy concerning the service disconnection notice and fees associated with disconnection.

There being no further written or verbal comments, the public participation section was closed at 5:43 p.m.

DIRECTORS' FEES AND EXPENSES FOR OCTOBER 2018

M/S/C (Coats-Goodrich) that the Board approve the Directors' fees and expenses for October 2018 as submitted.

APPROVE THE CANCELLATION OF THE DECEMBER 26, 2018 REGULAR BOARD MEETING

M/S/C (Coats-Goodrich) that the Board approve the cancellation of the December 26, 2018 regular board meeting.

STERLING NATURAL RESOURCE CENTER PROJECT UPDATE

The Director of Strategic Services provided the Board with an update on the progress of the Sterling Natural Resource Center. She described upcoming and completed milestones of the project; that the Administrative trailer will be delivered to the jobsite this Friday; that cultural training will be provided to the Board and staff; and the District's Engineering department is continuing design efforts with the design team. SALT Landscape Architects provided a presentation of the proposed landscape of the Sterling Natural Resource Center to the Board.

Information only.

PRE-FUNDING OPTIONS FOR LONG-TERM PENSION LIABILITIES

The Chief Financial Officer provided information regarding the CalPERS Retirement system and described events that took place that have impacted the District's Unfunded Accrued Liability (UAL). He stated that as of June 30, 2018, the District's pension plan was 71.23% funded; he presented several amortization schedules provided by PERS to pay down the pension liability. He asked that the Board consider a 15-year amortization schedule with level payments, rather than increasing payments, which would save interest compared to the 15-year option presented by CalPERS.

M/S/C (Goodrich-Morales) that the Board authorize the General Manager/CEO and the Chief Financial Officer to budget additional discretionary payments in accordance with a 15-year level pay amortization schedule.

QUITCLAIM DEED AND HOLD HARMLESS AGREEMENT FOR UNKNOWN GROUNDWATER WELL

The Director of Engineering and Operations provided information regarding an unknown groundwater well on 6th Street west of Lankershim; he stated that Anza Butterfield Road 34 LLC is seeking full ownership of the property; that they pulled a title report that noted that the District may have rights to a well in the area. He stated that upon further investigation, there was no evidence of a well existing on the property and a document search revealed no evidence that the District ever owned or operated this well. He stated that due to the findings, he requests that the District execute a Hold Harmless Agreement to ensure the District would be protected if any claims arose, and quitclaim any interest the District may have in the well rights to Anza Butterfield.

M/S/C (Coats-Smith) that the Board approve a Quitclaim Deed and Hold Harmless Agreement with Anza Butterfield Road 34 LLC for an unknown groundwater well on 6th Street west of Lankershim Street.

CONTRACT FOR LABOR COMPLIANCE SERVICES

The Chief Financial Officer provided information regarding a contract for Labor Compliance Services; he stated that since the Sterling Natural Resource Center is federally funded, that there are special conditions that apply related to the payment of prevailing wages and utilization of disadvantaged business enterprises; that monitoring and reporting on these activities requires resources and expertise that the District does not have; therefore, staff recommends that the District contract with a labor compliance consulting firm. He stated that three firms were sent Requests for Proposals and all three submitted proposals; he reviewed the criteria the District was seeking in the firms; and recommends that the Board contract with Golden State Labor Compliance.

M/S/C (Coats-Morales) that the Board award a \$190,000 contract to Golden State Labor Compliance for Labor Compliance Services related to the Sterling Natural Resource Center.

TRANSFER OF UNCLAIMED FUNDS INTO THE DISTRICT GENERAL FUND

M/S/C (Morales-Coats) that the Board authorize the Chief Financial Officer to perform procedures prescribed in the Government Code and Civil Code of Procedure for the purpose of encumbering stale-dated checks and keeping the related funds from escheating to the State.

BOARD OF DIRECTORS' REPORTS

Director Goodrich reported that on November 7 he watched the City of San Bernardino City Council meeting where they appointed two commissioners to their Water Board.

Director Morales reported on the following: on October 31 he attended the Association of California Water Agencies Region 9 water education event; November 9 he met with the General Manager/CEO for a District update; and November 13 he attended the San Bernardino Board of Water Commissioners meeting.

Director Coats reported on the following: on October 31 he attended the Finance & Human Resources Committee meeting; November 1 he attended the California Special Districts Associations' Legislative Committee meeting; November 6 he attended San Bernardino Valley Municipal Water District's Board meeting; and November 13 he met with the General Manager/CEO for an update on the District.

Vice Chairman Smith reported on the following: on November 8 he met with the General Manger/CEO to review the agenda; and on November 14 he attended the San Bernardino Valley Water Conservation District Board meeting.

Chairman Carrillo reported that on November 8 he met with the General Manger/CEO to review the agenda; and he attended a Community Heritage and Education Foundation (CHEF) meeting.

Information only.

GENERAL MANAGER/CEO REPORT

The General Manager/CEO congratulated the incumbents on their re-election to the Board. He reported that on November 7, the District welcomed a local Girl Scout troop to take a tour of the demonstration garden; on Saturday the District hosted the Highlanders Boxing Club neighborhood champions belt challenge; and he informed the Board that he will be attending a partnering meeting for the Sterling Natural Resource Center with staff on the evening of November 15 and November 16.

The General Manager/CEO informed the Board of upcoming meetings and events:

- November 15 @ 11:30 a.m. - Annual Thanksgiving luncheon and canned food drive
- November 22 & 23 - District will be closed due to the Thanksgiving Day holiday
- November 26 @ 2:30 p.m. - Engineering & Operations Committee meeting
- December 8 @ 6:00 p.m. - Employee Awards Banquet

Information only.

LEGAL COUNSEL REPORT

No report at this time.

BOARD OF DIRECTORS' COMMENTS

Director Coats, Director Goodrich, and Director Morales thanked staff, fellow Board members and the public for the opportunity to continue their service on the Board.

Vice Chairman Smith thanked everyone for attending the Board meeting.

Chairman Carrillo congratulated the incumbents on their re-election to the Board.

Information only.

ADJOURN

The meeting adjourned at 7:36 p.m.



John Mura, Secretary



Chris Carrillo, Board President

