

Approved April 22, 2020

**EAST VALLEY WATER DISTRICT
REGULAR BOARD MEETING**

March 11, 2020

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 Antrim, Senior Administrative Assistant

LEGAL COUNSEL: Jean Cihigoyenetché

GUEST(s): Members of the public

PUBLIC COMMENTS

Chairman Smith 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-Goodrich) that the March 11, 2020 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 Sections 54957 and 54957.6 to discuss the item(s) listed on the agenda.

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

Chairman Smith 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: No reportable action taken.

With respect to Item #3: No reportable action taken.

PUBLIC COMMENTS

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

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

Director Coats requested that the approval of the February 12, 2020 minutes be pulled from the consent calendar and be approved as a separate item due to his absence at that meeting.

M/S/C (Goodrich-Morales) that the Board amend the consent calendar and remove item #4b and approve this item separately as item #4d.

APPROVE THE JANUARY 22, 2020 REGULAR BOARD MEETING MINUTES

M/S/C (Goodrich-Morales) that the Board approve the January 22, 2020 regular board meeting minutes as submitted.

DIRECTORS' FEES AND EXPENSES FOR FEBRUARY 2020

M/S/C (Goodrich-Morales) that the Board approve the Directors' fees and expenses for February 2020 as submitted.

APPROVE THE FEBRUARY 12, 2020 REGULAR BOARD MEETING MINUTES

M/S/C (Morales-Goodrich) that the Board approve the February 12, 2020 regular board meeting minutes as submitted. Director Coats abstained from the vote.

STERLING NATURAL RESOURCE CENTER UPDATE

The Director of Strategic Services provided an update on the construction progress of the Sterling Natural Resource Center. She discussed Balfour Beatty's zero harm commitment program; she stated that the site had over 100,000 hours worked without any loss of time due to injuries. She provided information regarding the Water and Resource Management Pathway program.

An SNRC Reflections video was presented to the Board: *A Look at Our Community's Legacy - Our Regions Water History*.

The Director of Strategic Services responded to Mr. Wayne Brown regarding the next milestone for the SNRC; she stated that the completion of the aeration basin would be significant, but that it is hard to pinpoint only one at this time.

Mr. Fred Yauger asked when the video would be available on the District's website and he suggested that the District provide notice by email when the videos are released on the website.

2010 AND 2013 REVENUE BOND REFINANCING OPPORTUNITY

The Chief Financial Officer stated that the District's financial advisors, Fieldman Rolapp, informed staff of bond refinancing opportunities. Mr. Robert Porr of Fieldman Rolapp, provided a presentation to the Board on refinancing scenarios: he reviewed current market conditions, provided an overview of the District's 2010 and 2013 bonds, and projected refunding savings charts of each bond. He provided his recommendations and stated that there is a potential savings of \$340,000 annually on interest expense to the District.

M/S/C (Goodrich-Carrillo) that the Board authorize staff to begin the process of refunding the District's 2010 and 2013 Revenue Bonds.

CONSIDER TRANSFER AGREEMENT FOR THE EAST TRUNK SEWER LINE

The Director of Strategic Services stated that the Transfer Agreement for the East Trunk Sewer Line is part of the settlement agreement between the City of San Bernardino, San Bernardino Valley Municipal Water District and San Bernardino Municipal Water Department regarding the Sterling Natural Resource Center in 2017. She described the East Trunk Sewer Line location and function, and the process of the transfer with the District.

M/S/C (Goodrich-Morales) that the Board authorize the General Manager/CEO to execute the Transfer Agreement for the East Trunk Sewer Line with the San Bernardino Municipal Water Department.

REVISED BOARD OF DIRECTORS HANDBOOK AND POLICIES

The District Clerk discussed the revisions made to the Board of Directors Handbook. She reviewed the purpose of the Handbook and stated that this was part of the Board of Directors goals and objectives. She added that the Finance and Human Resources Committee provided several suggestions that were included in the Handbook.

M/S/C (Morales-Coats) that the Board approve the revised Board of Directors Handbook and Policies as submitted.

REVIEW GENERAL MANAGER/CEO ACHIEVEMENT OF GOALS & OBJECTIVES AND DETERMINATION OF PERFORMANCE AWARD

Legal Counsel stated that pursuant to the General Manager/CEO's employment contract, he is entitled to an annual review of his performance by the Board of Directors to determine if his Goals and Objectives have been met for the preceding year, and to determine the overall performance of his work. He stated that in closed session matters were discussed and considered by the Board, and a consensus was reached. Pursuant to section three of his employment agreement the Board is charged with determining if the General Manager/CEO is entitled to his performance award of 10% of his annual salary.

The Board praised the General Manager/CEO for his performance and leadership.

M/S/C (Coats-Morales) that the Board approve the General Manager/CEO's 10% pay for performance award in the amount of \$28,148.60.

AMENDMENTS TO GENERAL MANAGER/CEO EMPLOYMENT AGREEMENT

Legal Counsel stated that in conjunction with the General Manager/CEO annual performance review, the services of Mr. Bill Kelly were retained by the District to negotiate on behalf of the District to negotiate certain amendments and updates of the General Manager/CEO's contract. Legal Counsel presented the proposed amendments to the General Manager/CEO's contract as recommended by the District's negotiator:

- Contract would be amended to three-year term:
 - Year 1 = 2020-2021
 - Year 2 = 2021-2022
 - Year 3 = 2022-2023
- Cost of Living Increases Per Year to Annual Salary:
 - Year 1 = 5%
 - Year 2 = 3%
 - Year 3 = 3%
- Annual Retirement Contribution Increase 401(a):
 - Year 1 = \$20,000
 - Year 2 = \$22,000
 - Year 3 = \$24,000
- Vacation Days Per Year:
 - Year 1 = 35
 - Year 2 = 37
 - Year 3 = 40
- Automobile Allowance increase from \$1,000 to \$1,200 per month

M/S/C (Morales-Coats) that the Board approve amendments to the General Manager/CEO's Employment Agreement as presented.

APPROVAL OF GENERAL MANAGER/CEO'S 2020/21 GOALS AND OBJECTIVES

The General Manager/CEO's stated that the Chairman and Vice-Chairman of the Board discussed and developed goals and objectives that reflect the priorities included in the

Five-Year Plan, to be completed by the General Manager/CEO within a one-year time frame. He read aloud each of the proposed FY 2020/21 goals and objectives to the Board.

Director Carrillo stated that the goals are realistic.

Vice Chairman Goodrich stated that a lot of work goes into creating the goals and objectives.

Director Morales stated that these are not run-of-the-mill goals and objectives and they will stretch him professionally.

Director Coats stated that the General Manager/CEO always stretches himself to a higher level.

M/S/C (Morales-Coats) that the Board approve the 2020/21 General Manager/CEO's Goals and Objectives as submitted.

BOARD OF DIRECTORS' REPORTS

Director Carrillo reported on the following: March 4 he viewed the San Bernardino City Council meeting; and March 11 he participated in San Bernardino County Water Conference Planning Committee meeting.

Vice Chairman Goodrich reported on the following: March 2 he met with State legislators in Sacramento; March 5 he met with the District's consultant, Mr. Bill Kelly, to discuss the General Manager/CEO's contract negotiations; and March 5 he met with the General Manager/CEO to review the agenda.

Director Coats reported on the following: February 28 he attended the Inland Empire Economic Partnership Leadership class; March 3 he attended San Bernardino Valley Municipal Water District Board meeting; and March 10 he met with the General Manager/CEO to discuss District business.

Director Morales reported on the following: March 5 he attended the East Valley Association of Realtors meeting, held at the District, where the General Manager/CEO provided an update on the progress of the SNRC; March 6 he participated in the Association of California Water Agencies Region 9 teleconference where they discussed local education; and March 10 he attended the San Bernardino Board of Water Commissioners meeting where they discussed cost of service fees.

Chairman Smith reported on the following: March 2 he met with State legislators in Sacramento where updates on the SNRC were provided; March 5 he met with the District's consultant, Mr. Bill Kelly, to discuss the General Manager/CEO's goals and objectives for the upcoming year, and met with the General Manager/CEO to review the agenda; and March 6 he attended a tour of Plant 39 reservoir where he viewed progress of maintenance being performed.

Information only.

GENERAL MANAGER/CEO REPORT

The General Manager/CEO stated that he appreciates the positive comments from the community; he thanked the Board and staff for their kind words and support. He stated that he appreciates the support he received from community leaders and that he looks forward to leading the organization for the next three years.

Information only.

LEGAL COUNSEL REPORT

No report at this time.

BOARD OF DIRECTORS' COMMENTS

Director Coats stated that he looks forward to seeing members of the community at future board meetings.

Director Morales stated that he appreciates staff and the General Manager/CEO for taking the time to provide an update on the Sterling Natural Resource Center to the Board of Realtors. He also thanked the Chairman and Vice Chairman for creating goals and objectives for the General Manager/CEO; and commended the General Manager/CEO on his performance.

Vice Chairman Goodrich thanked everyone for attending the meeting.

Chairman Smith thanked everyone for attending the Board meeting and congratulated the General Manager/CEO on his performance.

Information only.

ADJOURN

The meeting adjourned at 7:19 p.m.



John Mura, Secretary



David E. Smith, Board President