

Approved September 23, 2020

**EAST VALLEY WATER DISTRICT
REGULAR BOARD MEETING
VIA TELECONFERENCE**

August 26, 2020

MINUTES

The Chairman of the Board called the meeting to order at 4:31 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 4:32 p.m.

The District Clerk read a public comment that was received via email from Ms. Morgan Devenport that read: "On behalf of my neighbors, we're requesting a sidewalk for Elmwood Road". The District Clerk stated that staff reached out to Ms. Devenport and provided her with information to submit her request as this is out of the District's services.

There being no further written or verbal comments, the public participation section was closed at 4:33 p.m.

APPROVAL OF AGENDA

M/S/C (Coats-Goodrich) by unanimous roll call vote that the August 26, 2020 agenda be approved as submitted.

CLOSED SESSION

The Board entered into Closed Session at 4:34 p.m. as provided in the Ralph M. Brown Act Government Code Sections 54957.6(a) to discuss the item(s) listed on the agenda.

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

Vice Chairman 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 in closed session this item was discussed pursuant to government code section 54956.9(d)(4); that a motion was received by Director Coats, seconded by Director Goodrich, and by unanimous vote (5-0), the Board directed staff to issue eminent domain proceedings against 44 shares of North Fork Water Company stock and condemn the remaining shares, not owned by East Valley Water District.

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.

APPROVE THE JUNE 24, 2020 REGULAR BOARD MEETING MINUTES

M/S/C (Carrillo-Goodrich) by unanimous roll call vote that the Board approve the June 24, 2020 regular board meeting minutes as submitted.

APPROVE THE JULY 22, 2020 REGULAR BOARD MEETING MINUTES

M/S/C (Carrillo-Goodrich) by unanimous roll call vote that the Board approve the July 22, 2020 regular board meeting minutes as submitted.

DISBURSEMENTS

M/S/C (Carrillo-Goodrich) by unanimous roll call vote that the General Fund Disbursements #255835 through #255998 which were distributed during the period of July 1, 2020 through July 31, 2020, bank drafts, and ACH Payments in the amount of \$6,988,698.91 and \$382,746.67 for payroll and benefit contributions, totaling \$7,371,445.58 be approved.

WATER AND RESOURCE MANAGEMENT PATHWAY PROGRAM UPDATE

The Human Resources/Risk & Safety Manager provided an update regarding the Water and Resource Management Pathway Program. She gave a brief overview of the program. She described setbacks due to the COVID-19 pandemic. She presented an update on current students enrolled in program and steps taken to ensure a successful fall

semester. She reviewed the classes that are being taught to students and next steps that they will take as part of the program. She provided details on a potential partnership program provided by Harbor Freight: *Harbor Freight Fellows Initiative*.

Information only.

REVISIONS TO THE DISTRICT'S DEBT MANAGEMENT POLICY 7.3

The Chief Financial Officer stated that in preparation for the potential refunding of the District's 2010 and 2013 Revenue Bonds, the District's financial consultants and bond counsel have recommended revisions to the District's Debt Management Policy in order to incorporate recent amendments to Rule 15c2-12 of the Securities and Exchange Act of 1934. He reviewed the two amendments and how provided details on how they may impact the District. He stated that it is important that the District adopt the recommended revisions to the Debt Management Policy to assure potential investors in the District's bonds of the additional notification requirements under Rule 15c2-12.

M/S/C (Morales-Goodrich) that the Board approve the Debt Management Policy as submitted.

RESOLUTION 2020.02 AUTHORIZING AND APPROVING THE ISSUANCE OF 2020 REFUNDING REVENUE BONDS, SERIES A AND B

The Chief Financial Officer provided information on the District's efforts to refinance its 2010 and 2013 Revenue Bonds. He stated that the District initially planned to refinance the bonds in earlier in the year, but the COVID-19 pandemic had a negative impact on the bond market. He stated that it has since had an upturn, and the District is now prepared to move forward with refinancing of the bonds.

Mr. Robert Porr from Fieldman, Rolapp & Associates financial advisors, provided a presentation on current market conditions.

M/S/C (Carrillo-Goodrich) by unanimous roll call vote that the Board adopt Resolution 2020.20, authorizing and approving the issuance of 2020 Refunding Revenue Bonds Series A and B as submitted.

THE BOARD ADJOURNED TO THE EAST VALLEY WATER DISTRICT FINANCING AUTHORITY AT 6:10 PM

THE BOARD RECONVENED THE MEETING AT 6:13 PM

BOARD OF DIRECTORS' REPORTS

Director Coats reported on the following: August 12 he attended a site tour of the SNRC to view construction progress; August 14 he participated in the San Bernardino County Annual Water Conference where Mr. Jeff Noelte and Ms. Kelly Malloy were speakers; August 17 he attended the Association San Bernardino County Special Districts Association meeting where they decided to cancel general meetings for the remainder

of the year; August 18 he participated in the San Bernardino Valley Municipal Water District Board meeting; August 25 he participated in the Highland Chamber of Commerce monthly meeting where the superintendent of Redlands Unified School District was the speaker; and August 26 he participated in the California Special Districts Associations' Southern Region meeting where they provided an update on current State legislation.

Director Morales reported on the following: August 13 he attended a site tour of the SNRC to view construction progress; August 14 he participated in the San Bernardino County Annual Water Conference; August 18 he participated in a teleconference with the General Manager/CEO where he received an update on District business; and August 25 he participated in the San Bernardino Board of Water Commissioners meeting where they updated their financial policies.

Director Carrillo reported on the following: August 13 he attended a site tour of the SNRC to view construction progress; and August 21 he participated in a conference call with the General Manager/CEO where he received an update on District business.

Vice Chairman Goodrich reported on the following: August 13 he participated in the Legislative & Public Outreach Committee meeting where he received an update on construction progress of the SNRC; August 20 he met with the General Manager/CEO to review the agenda; and August 25 he participated in the Highland Chamber of Commerce monthly meeting.

Chairman Smith reported on the following: August 13 he participated in the Legislative & Public Outreach Committee meeting; August 14 he participated in the San Bernardino County Annual Water Conference; August 20 he met with the General Manager/CEO to review the agenda; and August 25 he participated in the Highland Chamber of Commerce monthly meeting.

Information only.

GENERAL MANAGER/CEO REPORT

The General Manager/CEO reported on the following: Fitch Ratings has assigned an AA-rating to the District. The District has prepared a newsletter for residents living within 1/4 mile of the SNRC with informational updates that include project information, benefits, and steps taken by crews to minimize noise and inconveniences. San Bernardino County continues to update their website with information regarding COVID-19, including information considered for the State Monitoring List. As of August 21, due to the positive rate and number of confirmed cases the County remains on the monitoring list.

The General Manager/CEO thanked the public for their continued support during these trying times and stated that meetings will continue to be held via teleconference until further notice.

The General Manager/CEO provided information on upcoming events and projects:

- August 31 - District staff will resume work on Barton Road by completing service line connections to the water main that was replaced in February. A project notification letter was mailed to affected customers to provide them with information on temporary service interruptions and traffic.
- September 22 - District staff and Chairman Smith will provide a District update and highlights of the Sterling Natural Resource Center to the Highland Chamber of Commerce.

Information only.

LEGAL COUNSEL REPORT

No report at this time.

BOARD OF DIRECTORS' COMMENTS

Director Carrillo congratulated the Chief Financial Officer and staff on the District's Fitch rating.

Director Coats commended staff on the bond refinancing and stated that it will save ratepayers a substantial amount of money.

Director Morales mirrored Director Coats' comments. He also commented on the Sterling Natural Resource Center construction progress and how it's moving along, and is looking forward to discussing the treatment plant commissioning process.

Vice Chairman Goodrich commended staff on saving ratepayers money.

Chairman Smith thanked staff for their presentations; and the public and presenters for attending the Board meeting this evening.

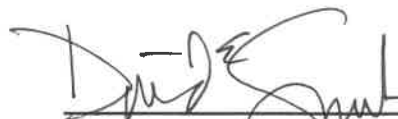
Information only.

ADJOURN

The meeting adjourned at 6:25 p.m.



John Mura, Secretary



David E. Smith, Board President