

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE MONTE VISTA WATER DISTRICT**

September 14, 2022

The Board of Directors (Board) meeting of the Monte Vista Water District (District) was conducted consistent with the provisions in California Government Code section 54953(e), as amended by Assembly Bill 361 (2021), and pursuant to District Resolution.

DIRECTORS PRESENT

Sandra Rose, President
G. Michael Milhiser, Vice President
Manny Martinez, Board Auditor
Philip Erwin, Director
Tony Lopez, Director

DIRECTORS ABSENT

None.

STAFF PRESENT

Justin Scott-Coe, General Manager
Andrew Gagen, Legal Counsel
Stephanie Reimer, Assistant General Manager/Chief Financial Officer
Bill Schwartz, Director of Engineering, Operations, and Maintenance
Betty Conti, Human Resources and Risk Manager
Hilton Saenz, Distribution and Facilities Manager
Leah Nazaroff, Accounting Manager
Juan Ventura, Customer Service and Information Technology Manager
Brandi Goodman-DeCoud, Executive Assistant II

OTHERS IN ATTENDANCE

Mark Panny, Carollo Engineers

ITEM 1: CALL TO ORDER/FLAG SALUTE

President Rose called the meeting to order at 6:31 p.m.

Vice President Milhiser led those assembled in the Flag Salute.

ITEM 2: ROLL CALL

Ms. Brandi Goodman-DeCoud called roll call and noted all Directors as present.

Mr. Andrew Gagen reminded Directors that any votes taken during the portion of the meeting when Board members or the public are participating remotely must be taken by roll call vote.

ITEM 3: PUBLIC COMMENT/OPEN FORUM

Bruce Freeburn expressed concerns regarding a past water bill.

ITEM 4: AGENDA CHANGES/ADDITIONS

Mr. Justin Scott-Coe stated that there are no changes or additions to the agenda.

ITEM 5: CONSENT CALENDAR

Item 5A was pulled from the consent calendar for separate action.

Upon motion by Vice President Milhiser, seconded by Director Erwin and unanimously carried:

M22-09-01

MOVED: Approve the Consent Calendar, as by roll call vote:

- B. Monthly Financial Reports – July 2022:** 1) Accept the Register of Demands for the month ending July 31, 2022; and 2) Approve the Financial Summaries for the month ending July 31, 2022.
- C. Quarterly Financial Reporting – Fourth Quarter of Fiscal Year Ending 2022:** Receive and file the Fiscal Year Ending 2022 Quarterly Report for the period ending June 30, 2022
- D. Ratification of General Manager’s Approval to Proceed with Emergency Purchase of Construction Services from Big Ben Engineering for a Not-to-Exceed amount of \$697,000:** 1) Ratify the general manager’s actions to proceed with emergency and sole source purchases of construction services from Big Ben Engineering to install structural concrete pads necessary for installation of the pre-purchased packaged treatment systems for a total not-to exceed amount of \$697,000; and 2) transfer \$240,000 from reserves into Project No. EN2022-05 – Plant 34 Wellhead Treatment.
- E. Ratification of General Manager’s Approval to Initiate Dump Trucks Replacement Project (MA2023-07):** 1) Ratify the general manager’s approval to proceed with an urgency project to replace two dump trucks in the amount of \$290,335.24; 2) Establish Capital Project MA2023-07 as the Dump Trucks Replacement Project; and 3) Transfer \$290,336 from reserves to Project MA2023-07.
- F. Enter into Contract Change Order 3 with Psomas Engineering, Inc. to Provide On-Call Environmental Consulting Services:** Authorize the Board president and general manager to enter into Contract Change Order 3 with Psomas Engineering, Inc. for the amount of \$30,000 and a total not-to-exceed contract amount of \$95,000 to provide on-call environmental consulting services.
- G. Resolution 824-22: Re-Authorizing Remote Teleconference Meetings:** Adopt Resolution 824-22, Re-Authorizing Remote Teleconference Meetings Pursuant to Brown Act Provisions.

President Rose	aye
Vice President Milhiser	aye
Board Auditor Martinez	aye
Director Erwin	aye
Director Lopez	aye

A. Meeting minutes of August 10, 2022

President Rose noted an abstention on Item 5A.

Upon motion by Vice President Milhiser, seconded by Director Erwin and carried 4-0-1:

M22-09-02

MOVED: Approve as presented, as by roll call vote:

President Rose	abstain
Vice President Milhiser	aye
Board Auditor Martinez	aye
Director Erwin	aye
Director Lopez	aye

ITEM 6: DISCUSSION AND/OR ACTION ITEMS

A. Financial Projections Update: Capital Improvement Projects and Reserve Balance

Mr. Bill Schwartz and Ms. Stephanie Reimer provided a brief presentation in support of staff's recommendation.

Board Auditor Martinez inquired if the reserve numbers forecasted through 2027 were included in the budget as revenue and expenses. Ms. Reimer confirmed that beyond Fiscal Year Ending (FYE) 2023 the District has kept up with inflation with small incremental increase projections while considering operating revenues, expenses, capital, and debt service through 2027.

Board Auditor Martinez inquired if the treatment for Plants 4, 19, and 27 were urgent. Mr. Schwartz confirmed that those are urgent, and an item will be brought to the Board regarding those sites soon.

Board Auditor Martinez questioned if the Finance Committee received all the presented information at their last meeting. Ms. Reimer confirmed that new information through research with Carollo Engineers provided additional details for consideration by the Board.

The item was received and filed.

B. Implementation of Demand Reduction Rates

Ms. Stephanie Reimer introduced Mr. Mark Panny, Carollo Engineers, who provided a brief presentation on the Demand Reduction Rates and full rate study for 2024.

Board Auditor Martinez questioned if the District's present schedule rate changes end at the end of 2023. Ms. Reimer confirmed that 2023 is the last scheduled rate increase and stated that in the coming months a rate study will be conducted as a basis for proposed rate increases for 2024 and beyond.

Board Auditor Martinez inquired if the District expects a particular amount of increase in 2024. Ms. Reimer stated that in the past the Board has made incremental changes reflecting around 3%. Mr. Panny clarified that historically a 3% yearly increase has been built into the model and inflation will be researched in the new study to consider the current state of inflation. Mr. Scott-Coe added that the District uses the rate study's cost of service projections to support increases in rates and a prediction or projection of future increases has not yet been determined.

Director Erwin stated that the Finance Committee met to discuss the item and referred the item to the full Board for discussion. He then recommended implementation of Stage 2 Demand Reduction Rates. Vice President Milhiser and President Rose concurred with a Stage 2 implementation.

Board Auditor Martinez thanked staff for a great presentation, concurred with a Stage 2 implementation, believed that a potential 2024 increase would be a very nominal change for rate payers, and suggested the benefit for customers who continue to conserve water.

Upon motion by Director Erwin, seconded by Director Lopez and unanimously carried:

M22-09-03

MOVED: Approve the implementation of Stage 2 Demand Reduction Rates effective January 1, 2023, as by roll call vote:

President Rose	aye
Vice President Milhiser	aye
Board Auditor Martinez	aye
Director Erwin	aye
Director Lopez	aye

ITEM 7: GENERAL MANAGER’S REPORT

In addition to the written report, Mr. Justin Scott-Coe briefed the Board on issues and activities of the past four weeks. Topics covered include the statewide drought emergency; September ‘National Preparedness Month’ staff activities; California Independent System Operator issued Flex alerts; Inland Empire Utilities Agency submittal to Metropolitan Water District on the behalf of its retail agencies of about \$50 million in local projects to assist in the offsetting current and near-term lack of reliability in the State Water Project-dependent portion of their service area; receipt of the Certificate of Achievement for Excellence in Financial Reporting award by the Government Finance Officers Association for the 18th year in a row; Senator Leyva’s Young Senators Leadership Program Career Day on October 18; and site security concerns at Plant 4.

ITEM 8: INFORMATION ITEMS

Information items were included in the agenda packet.

ITEM 9: BOARD COMMENTS (including reports on conferences/meetings attended at District expense)

Vice President Milhiser stated that audit findings will be presented at the Water Facilities Authority meeting on September 15, 2022, and noted his attendance at the Montclair Chamber of Commerce Networking Breakfast on August 11.

Director Erwin stated that the Finance Committee met on September 6.

Director Lopez noted his attendance at the Montclair Chambe of Commerce Networking Breakfast and the Chino Basin Conservation District’s Board Installation luncheon on August 25.

President Rose noted her attendance at the Regional Water Policy and Management Workshop on September 14 and stated that the discussion was insightful and hopes it will continue.

ITEM 10: CLOSED SESSION

President Rose recessed the meeting to closed session at 8:17 p.m. to discuss:

- A. Conference with Legal Counsel – Existing Litigation (Gov. Code §54956.9[d][1])**
CBMWD v. City of Chino et al. (Superior Court of California, County of San Bernardino, Case Number RCV 51010)
- B. Conference with Legal Counsel – Anticipated Litigation (Gov. Code §54956.9[d][2])**
Number of Potential Cases: Three

President Rose reconvened the meeting into open session at 8:37 p.m. Mr. Gagen announced there was no reportable action.

ITEM 11: ADJOURNMENT

Upon motion by Director Erwin, seconded by Vice President Milhiser and unanimously carried:

M22-09-04

MOVED: Approve to adjourn the meeting, as by roll call vote:

President Rose	aye
Vice President Milhiser	aye
Board Auditor Martinez	aye
Director Erwin	aye
Director Lopez	aye

There being no further business, President Rose adjourned the meeting at 8:38 p.m.

Respectfully submitted,



Justin M. Scott-Coe
General Manager/Secretary