

MINUTES

WESTERN RIVERSIDE COUNTY REGIONAL WASTEWATER AUTHORITY (WRCRWA)

"SPECIAL" BOARD OF DIRECTORS MEETING

February 28, 2019

BOARD MEMBERS PRESENT

Tom Moody, Chair
Jane Anderson, Vice Chair
Eldon Horst
Ted Hoffman, Secretary-Treasurer
Chad Blais
Janey Gress
Colin Burns
S.R. Al Lopez

REPRESENTING

City of Corona
Jurupa Community Services District
Jurupa Community Services District
City of Norco
City of Norco
Home Gardens Sanitary District
Home Gardens Sanitary District
Western Municipal Water District

OTHERS PRESENT

Rod LeMond, Administrator	Western Municipal Water District
David Wysocki	WRCRWA Legal Counsel
Derek Kawaii	Western Municipal Water District
Gary Miller	Western Municipal Water District
Tony Pollak	Western Municipal Water District
Tina Barber	Western Municipal Water District
Veronica Zheng	Western Municipal Water District
Sonia Huff	Western Municipal Water District
Dan DuCasse	Jurupa Community Services District
Jeff Sims	Home Gardens Sanitary District
Nitin Patel	White Nelson Diehl Evans LLP

1. CALL TO ORDER/ROLL CALL

The Western Riverside County Regional Wastewater Authority (WRCRWA) Board of Directors meeting was called to order at 1:30 PM, by the Chair, at the City of Corona's Temescal Desalter.

2. PUBLIC COMMENTS

None

3. CONSENT CALENDAR

A. CONSIDER APPROVAL OF THE OCTOBER 25, 2018 WRCRWA BOARD OF DIRECTORS REGULAR MEETING MINUTES

- B. CONSIDER APPROVAL OF THE JANUARY 30, 2019 WRCRWA BOARD OF DIRECTORS SPECIAL MEETING MINUTES**
- C. RECEIVE AND FILE FISCAL YEAR 2019-2019 CAPITAL PROJECT STATUS REPORT AND ADVANCED BILLING NEEDS AS OF DECEMBER 31, 2018**
- D. RECEIVE AND FILE THE OPERATIONS REPORT FOR AUGUST THROUGH DECEMBER 2018**
- E. RECEIVE AND FILE THE OPEN PURCHASE ORDER REPORT DATED JANUARY 30, 2019**
- F. RECEIVE AND FILE THE SUMMARY OF CASH AND INVESTMENTS AS OF DECEMBER 31, 2018**

Director Lopez motioned and Director Anderson seconded to:

1. Approve the consent calendar with no changes.

Motion carried unanimously.

THAT THE BOARD OF DIRECTORS:

1. Approved the minutes of the October 25, 2018 WRCRWA Board of Directors Regular Meeting;
 2. Approved the minutes of the January 30, 2019 WRCRWA Board of Directors Special Meeting;
 3. Received and filed the Fiscal Year 2018-2019 Capital Project Status Report and Advanced Billing Needs as of December 31, 2018
 4. Received and filed the Operations Reports for August through December 2018
 5. Received and filed the Open Purchase Order Report dated January 30, 2019
 6. Received and filed the Summary of Cash and Investments as of December 31, 2018
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4. ACTION AGENDA

A. RECEIVE AND FILE FISCAL YEAR 2018-2019 BUDGET VS. ACTUAL REPORT FOR ENTERPRISE FUND OPERATING REVENUES AND EXPENSES FOR THE PERIOD ENDING SEPTEMBER 30, 2018

Administrator LeMond requested the Board of Directors hear Agenda Item 4.E. out of order, prior to this item. As a result, Agenda Item 4.E was heard prior to Agenda Item 4.A.

Veronica Zheng gave a brief overview of Agenda Items 4.A. and 4.B.

Director Anderson motioned and Director Lopez seconded to receive and file Agenda Items 4.A. and 4.B.

1. Received and filed the Fiscal Year 2018-2019 Budget vs. Actual Report, through September 30, 2018 for Enterprise Fund Operating Revenues and Expenses.

Motion carried unanimously.

THAT THE BOARD OF DIRECTORS:

1. Received and filed the Fiscal Year 2018-2019 Budget vs. Actual Report, through September 30, 2018 for Enterprise Fund Operating Revenues and Expenses.
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B. RECEIVE AND FILE FISCAL YEAR 2018-2019 BUDGET VS. ACTUAL REPORT FOR ENTERPRISE FUND OPERATING REVENUES AND EXPENSES FOR THE PERIOD ENDING DECEMBER 31, 2018

1. Receive and file the Fiscal Year 2018-2019 Budget vs. Actual Report, through December 31, 2018 for Enterprise Fund Operating Revenues and Expenses.

THAT THE BOARD OF DIRECTORS:

1. Received and filed the Fiscal Year 2018-2019 Budget vs. Actual Report, through December 31, 2018 for Enterprise Fund Operating Revenues and Expenses.
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C. CONSIDER AUTHORIZATION OF A PURCHASE ORDER IN THE AMOUNT OF \$75,583.94 FOR THE PROCUREMENT OF ONE SUBMERSIBLE PUMP WITH XYLEM WATER SOLUTIONS USA, INC.

Administrator LeMond indicated the request for a purchase order with Xylem Water Solutions USA, Inc. is within budget. Gary Miller reported that at the Executive Committee Meeting on February 14, 2019, Executive Committee Members requested some changes to the memo and indicated those changes have been made.

Director Hoffman motioned and Director Lopez seconded to:

1. Authorize the Administrator to open and purchase order with Xylem Water Solutions USA, Inc., in the amount of \$75,583.94, for the purchase of one submersible pump for the South Regional Pump Station.

Motion carried unanimously.

THAT THE BOARD OF DIRECTORS:

1. Authorized the Administrator to open a purchase order with Xylem Water Solutions, USA, Inc., in the amount of \$75,583.94, for the purchase of one submersible pump for the South Regional Pump Station.
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D. CONSIDER APPROVING TRANSFER OF TREATMENT CAPACITY RIGHTS FROM HOME GARDENS SANITARY DISTRICT TO CITY OF CORONA

Chair Moody discussed the capacity transfer request from Home Gardens Sanitary District to the City of corona.

Jeff Sims indicated the transfer of capacity is cost neutral to all Member Agencies.

David Wysocki indicated agreements between WRCRWA and Member Agencies will also need to be amended in order to change the transfer capacity.

Director Gress motioned and Director Lopez seconded to:

1. Approve a transfer of 0.25 Million Gallons per Day (MGD) recently expanded WRCRWA treatment capacity from Home Gardens Sanitary District (HGSD) to the City of Corona (Corona); and

2. Authorize the HGSD and Corona to enter into an agreement defining the terms of the 0.25 MGD treatment capacity transfer.

Motion carried unanimously.

THAT THE BOARD OF DIRECTORS:

1. Approved a transfer of 0.25 Million Gallons per Day (MGD) recently expanded WRCRWA treatment capacity from Home Gardens Sanitary District (HGSD) to the City of Corona (Corona);
 2. Authorized HGSD and Corona to enter into an agreement defining the terms of the 0.25 MGD treatment capacity transfer.
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E. RECEIVE AND FILE FISCAL YEAR 2017-2018 INDEPENDENT AUDITOR'S REPORT AND AUDITED FINANCIAL STATEMENTS

This item was heard out of order, prior to Agenda Item 4.A.

Veronica Zheng introduced Nitin Patel, Audit Partner at White Nelson Diehl Evans, who reviewed WRCRWA's audit's financial components and summarized the results of the audited financial statements. Mr. Patel indicated WRCRWA received a clean and unmodified opinion and there were no deficiencies in internal control.

Veronica Zheng noted the operations revenue and expense for Fiscal Year 2017-2018 is very similar; however, WRCRWA's daily flow increased reflecting efficiency.

Director Lopez motioned and Director Moody seconded to:

1. Receive and file the Fiscal Year 2017-2018 Independent Auditor's Report and Audited Financial Statements.

Motion carried unanimously.

THAT THE BOARD OF DIRECTORS:

1. Received and filed the Fiscal Year 2017-2018 Independent Auditor's Report and Audited Financial Statements.
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F. CONSIDER ADOPTION OF RESOLUTION 19-001; NEW CONFLICT OF INTEREST CODE PURSUANT TO THE POLITICAL REFORM ACT OF 1974

Legal Counsel Wysocki indicated this is an amendment to WRCRWA's Conflict of Interest Code and all changes are redlined and included in the agenda packet.

Director Hoffman motioned and Director Lopez seconded to:

1. Adopt Resolution 19-001 and its Appendix attached thereto, which constitutes a new Conflict of Interest Code for WRCRWA.

Motion carried unanimously.

THAT THE BOARD OF DIRECTORS:

1. Adopted Resolution 19-001 and its Appendix attached thereto, which constitutes a new Conflict of Interest Code for WRCRWA.
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G. CONSIDER AWARDED THE LOW VOLTAGE SWITCHGEAR REPLACEMENT PROJECT (SPECIFICATION NO. W-261) CONSTRUCTION AND CONSTRUCTION MANAGEMENT CONTRACTS

Derek Kawaii indicated the Administrator is requesting an increase in the Fiscal Year 2018-2019 Capital Budget of \$1,540,000, award of a construction contract to Control System Engineering, Inc. for \$2,248,066, and award of a professional services contract to Valley Construction Management for \$380,378 for the Low Voltage Switch Gear.

Derek Kawaii noted staff awarded the construction contract to the lowest responsive and responsible bidder and discussed reasons why the budget increased from the initial estimate.

Director Lopez asked what criteria determined why the Low Voltage Switch Gear requires replacing. Derek Kawaii responded there was failure consequence analysis inspection report that revealed the Low Voltage Switch Gear is in dire condition and failure could be catastrophic. Following receipt of the report, a consultant did further analysis and concurred and the matter was brought before the WRCRWA TAC in 2015. In addition, during the design phase it was determined the Low Voltage Switch Gear should be housed as its components will deteriorate more quickly if exposed to outdoor elements. Therefore, a building has been added to the design plan.

Administrator LeMond noted the Low Voltage Switch Gear has been included in the capital budget for successive years.

Director Moody asked about the type of building and the cost.

Derek Kawaii stated the building cost estimate is \$250,000 and is designed to house both the Low Voltage Switch Gear and the Medium Voltage Switch Gear.

Colin Burns arrived at 1:55 PM during discussion of this item.

Director Hoffman motioned and Director Gress seconded to:

1. Increase the adopted WRCRWA Fiscal Year 2018-2019 Capital Budget for the Low Voltage Switchgear Replacement Project by \$1,540,000, from \$1,500,000 to \$3,040,000; and
2. Award a construction contract to Control Systems Engineering, Inc. for \$2,248,066 for construction of the Low Voltage Switchgear Replacement Project; and
3. Award a professional services contract for the Low Voltage Switchgear Replacement Project to Valley Construction Management for an amount not-to-exceed \$380,378 for construction management and inspection services.

Motion carried unanimously.

THAT THE BOARD OF DIRECTORS:

1. Increased the adopted WRCRWA Fiscal Year 2018-2019 Capital Budget for the Low Voltage Switchgear Replacement Project by \$1,540,000, from \$1,500,000 to \$3,040,000;
 2. Awarded a construction contract to Control Systems Engineering, Inc. for \$2,248,066 for construction of the Low Voltage Switchgear Replacement project; and
 3. Awarded a professional services contract for the Low Voltage Switchgear Replacement project to Valley Construction Management for an amount not-to-exceed of \$380,378 for construction management and inspection services.
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H. CONSIDER ADOPTION OF THE ODOR MANAGEMENT PLAN POLICY

Director Lopez motioned and Director Anderson seconded to:

1. Adopt the WRCRWA Odor Management Plan Policy.

Motion carried unanimously.

THAT THE BOARD OF DIRECTORS:

1. Adopted the WRCRWA Odor Management Plan Policy.
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5. UPDATES

A. WRCRWA TREATMENT PLANT EXPANSION PROJECT WARRANTY WORK UPDATE

Administrator LeMond indicated there is nothing to report on this item.

B. MISSION SCADA UPDATE

Gary Miller indicated Mission SCADA provides wireless remote access readings to Member Agencies so they have real time access to meter readings. Gary Miller further noted 12 systems have been put in place and billing is currently based on Mission SCADA readings.

6. STAFF COMMENTS

A. ADMINISTRATOR'S COMMENTS, SUGGESTIONS, AND POSSIBLE FUTURE AGENDA ITEMS

Administrator LeMond indicated there is a WRCRWA Board Meeting on March 18, 2019 where the capital budget will be discussed.

B. BOARD MEMBERS' COMMENTS, SUGGESTIONS, AND POSSIBLE FUTURE AGENDA ITEMS

Director Hoffman noted a Western Community Energy Group, which includes the City of Eastvale, the City of Norco, and Jurupa Community Services District has formed and suggested Administrator LeMond explore the option of including Western Municipal Water District.

The meeting adjourned into Closed session at 2:51 PM.

7. CLOSED SESSION

- A. ANTICIPATED LITIGATION—ONE POTENTIAL CASE—COR-RAY PAINTING—
CONSIDERATION OF W.M. LYLES FORMAL GOVERNMENT CODE CLAIM
GOV. CODE, SEC. 54956.9(d)**
- B. ANTICIPATED LITIGATION—ONE POTENTIAL CASE—SCAQMD
GOV. CODE, SEC. 54956.99d)**
- C. ANTICIPATED LITIGATION—ONE POTENTIAL CASE—STATE WATER RESOURCES
CONTROL BOARD
GOV. CODE, SEC. 54956.9(d)**

The meeting reconvened out of Closed Session into Open Session at 3:14 PM, Legal Counsel reported that the Board, by motion made by Director Moody and seconded by Director Hoffman, , rejected the W.M Lyles/Cor-Ray Painting Formal Government Code Claim by unanimous vote on Item 7.A..

There was no action on Closed Session Items 7.B. and 7.C.

8. ADJOURNMENT

There being no further business to come before the Board of Directors, the meeting adjourned at 3:15 PM.

APPROVED: March 18, 2019


Chair - Board of Directors