

MINUTES OF A BOARD WORKSHOP

January 10, 2012 at 4:00 P.M.

Directors Present:

Jay Bogh, President
Bruce Granlund, Vice President
Ian Cuthbertson, Director
Lonni Granlund, Director
Hank Wochholz, Director

Staff Present:

Joseph Zoba, General Manager
Jack Nelson, Assistant General Manager
Vicky Elisalda, Controller
John Hull, Public Works Manager
Jennifer Ares, Resource Sustainability Manager
Brent Anton, Engineering Project Integrator
Matt Harward, Deputy Manger of Water Resources
Kevin King, Operations Manager
Jeremy Costello, Engineering Technician II

Directors Absent:

None

Consulting Staff Present:

David Wysocki, Legal Counsel
Kyle Stuckey, Vavrinek, Trine, Day & Company
Phil White, Vavrinek, Trine, Day & Company

Registered Guests and Others Present:

Bill Dickson, San Gorgonio Pass Water Agency
John Jeter, San Gorgonio Pass Water Agency
Ray Morris, San Gorgonio Pass Water Agency
Amy Olson, Southern California Edison
Dick Siegmund, Customer
Rob Coleman, Customer
Several Commercial Business Customers

The items listed below were presented for discussion.

- I. Call to Order - 4:00 p.m.
- II. Public Comments - General Manager Joseph Zoba recognized the members of the Board of Directors and acknowledged members of the public in attendance. No public comments were provided.
- III. Staff Comments - General Manager Joseph Zoba introduced Amy Olson from Southern California Edison who provided a refund check related to the expansion of the Wochholz Regional Water Recycling Facility.
- IV. Presentations
 - A. Overview of Commercial Sewer Rate Structure [Workshop Memorandum No. 12-001] - General Manager Joseph Zoba provided an overview of the funding requirements related to the low interest State Revolving Fund loan from the State Water Resources Control Board and the single unit and multiple unit commercial rates included within Table 1 of Resolution No. 18-2011 adopted in August 17, 2011. While the existing rate resolution provides a melded rate factor for single and multiple unit commercial customers, there was a consensus to modify the calculation methodology to provide a trigger for multiple unit commercial

complexes that have or add a bakery, laundromat, restaurant, fast food, or supermarket.

V. Operational Updates

- A. Yucaipa Valley Water District Operational Overview for December 2011 [Workshop Memorandum No. 12-002] - General Manager Joseph Zoba provided an overview of the illustrations included in a handout titled, Operational Issues & Activities for the Period Ending December 31, 2012.
- B. Purchase of Replacement Lamps for the Ultraviolet Disinfection Process at the Wochholz Regional Water Recycling Facility [Workshop Memorandum No. 12-003] - Operational Manager Kevin King provided an overview of the need to purchase additional lamps for the ultraviolet disinfection process at the wastewater treatment plant. The District staff proposed the purchase of up to 900 lamps at a purchase price of \$121.80 per lamp. After January 21, 2012, the cost of the lamps will increase to \$268 per lamp.

VI. Capital Improvement Projects

- A. Status Report on the Construction of the Yucaipa Valley Regional Brineline [Workshop Memorandum No. 12-004] - Engineering Manager Brent Anton provided a detailed status report on the construction of the Yucaipa Valley Regional Brineline Project. The main highlight of this presentation was the completion of the Santa Ana River crossing.
- B. Status Report on the Construction of the R-10 Recycled Water Reservoir and Booster Complex [Workshop Memorandum No. 12-005] - Engineering Manager Brent Anton provided an overview of the R-10 Reservoir Project. The project was awarded at the January 4, 2012 board meeting and construction is expected to begin in February 2012.
- C. Status Report on the Construction of the Crow Street Pipeline Facilities [Workshop Memorandum No. 12-006] - Engineering Manager Brent Anton provided an overview of the Crow Street Pipeline Project. This project is expected to begin in Spring/Summer 2012.
- D. Status Report on the Construction of the Wochholz Improved Salinity Effluent (WISE) Project [Workshop Memorandum No. 12-007] - Operations Manager Kevin King provided an overview of the WISE project which will enable the District to desalt the recycled water source at the Wochholz Regional Water Recycling Facility pursuant to Regional Water Quality Control Board requirements.

VII. Administrative Issues

- A. Unaudited Financial Report for December 2011 [Workshop Memorandum No. 12-008] - Controller Vicky Elisalda provided an overview of the unaudited financial report for December 2011.
- B. Single Audit Report for Period Ending June 30, 2011 [Workshop Memorandum No. 12-009] - Controller Vicky Elisalda introduced Phil White and Kyle Stuckey from the auditing firm Vavrinek, Trine, Day & Company who provided an overview of the Single Audit Report.
- C. Appointment of Individuals as Representatives in Small Claims Court [Workshop Memorandum No. 12-010] - General Manager Joseph Zoba provided an overview of the routine appointment of individuals for small claims court actions.

- D. Statement of Investment Policy for the Yucaipa Valley Water District [Workshop Memorandum No. 12-011] - Controller Vicky Elisalda provides an overview of the Investment Policy.
 - E. Biological Compliance Services by Dudek Related to the Construction of the Yucaipa Valley Regional Brineline - Phase 3 [Workshop Memorandum No. 12-012] - Resource Sustainability Manager Jennifer Ares provided an overview of the biological consulting services provided by Dudek for the construction of the Yucaipa Valley Brineline beneath the Santa Ana River.
 - F. Construction Management Services by Krieger & Stewart for the Pressure Zone 10 Recycled Water Reservoirs and Booster Station Complex [Workshop Memorandum No. 12-013] - Engineering Manager Brent Anton provided an overview of the construction management services contract for the R-10 Recycled Water Reservoir and Booster Complex.
 - G. Construction Management Services by Separation Processes, Inc. for the Construction of the Wochholz Improved Salinity Effluent (WISE) Facility [Workshop Memorandum No. 12-014] - General Manager Joseph Zoba provided a draft proposal related to construction management services for the reverse osmosis equipment installation at the wastewater treatment plant.
 - H. Damage Claim Related to a Leak on Private Property at 12555 Fremont Street, Yucaipa [Workshop Memorandum No. 12-015] - Assistant General Manager Jack Nelson provided an overview of the claim for damages at 12555 Fremont Street, Yucaipa with a recommendation to deny the claim.
- VIII. Director Comments - There were no comments from the members of the Board of Directors.
- IX. Closed Session - There was no closed session.
- X. Adjournment - The meeting was adjourned at 6:00 p.m.

Respectfully submitted,

Joseph B. Zoba, Secretary

(SEAL)