

CITY OF REDLANDS

MUNICIPAL UTILITIES/PUBLIC WORKS COMMISSION AGENDA

ADEKUNLE OJO, CHAIRPERSON
R. BRAD THOMS, COMMISSIONER
THOMAS BREITKREUZ, COMMISSIONER
CHANDRASEKAR 'CV' VENKATRAMAN, COMMISSIONER

STEVE STOCKTON, VICE CHAIRPERSON
ZACHARY TRAVIS, COMMISSIONER
DAVID GARCIA, COMMISSIONER

This will be a teleconference meeting via Zoom.

Following public health recommendations to limit public gatherings during the COVID-19 pandemic, City Manager Charles M. Duggan, Jr., acting as the City of Redlands Emergency Services Director has directed that Commission/Board meetings be closed to the public until further notice or until the current local State of Emergency has been lifted.

All votes during the teleconferencing meeting via Zoom will be conducted by roll call.

HOW TO SUBMIT COMMENTS: In order to have your public comment read into the public record at the meeting, members of the public are asked to submit comments (250 words or less) by 12:00 p.m. (noon) on Monday, April 5th, by email at jweathers@cityofredlands.org, or by telephone at 909-798-7527 x6.

Individuals with a disability, consistent with the Americans with Disabilities Act, who need assistance with public comment, may contact Goutam Dobey by telephone at 909-798-7584 x2 or by email at gdobey@cityofredlands.org at least two hours before the meeting to make alternate arrangements.

The following information comprises the agenda for a meeting of the Municipal Utilities/Public Works Commission of the City of Redlands at the date and time noted below.

MONDAY, APRIL 5, 2021
4:00 P.M.

ZOOM MEETING INFORMATION:

Please click the link below to join the webinar or call the numbers listed:

<https://cityofredlands.zoom.us/j/97465144638?pwd=OFdXV0NLZUd6c0dSdFF5YnRjZWR5UT09>

Passcode: 997957
Webinar ID: 974 6514 4638

Or you may call any of the following numbers to join the meeting:

Toll-Free: (877) 853-5247 or (888) 788-0099

US locations: (669) 900-6833 | (253) 215-8782 | (346) 248-7799
(301) 715-8592 | (312) 626-6799 | (929) 205-6099

Page | 1

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Goutam Dobey of Municipal Utilities/Engineering Department at (909) 798-7584 x2. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title II) NOTE: Any writings or documents distributed to a majority of the Municipal Utilities/Public Works Commission regarding an open session agenda item less than 72 hours before this meeting are available at <https://www.cityofredlands.org/municipal-utilities-public-works-commission> for public inspection or at the Municipal Utilities & Engineering Department, 35 Cajon Street, Suite 15A by calling (909) 798-7698 x4145.

CITY OF REDLANDS

MUNICIPAL UTILITIES/PUBLIC WORKS COMMISSION AGENDA

MONDAY, APRIL 5, 2021
4:00 P.M.

1. ATTENDANCE

2. CALL TO ORDER

3. PUBLIC COMMENT

Commission Liaison Jane Weathers will read all public comments, up to 250 words, into record if they are received in accordance with the submittal timeframe stated on the previous page.

The Commission may not discuss or take any action on any public comment made, except that the Commission Members or staff may briefly respond to statements made or questions posed by members of the public. However, any matter that requires action will be referred to staff for a report and possible action at a subsequent meeting.

4. APPROVAL OF MINUTES

- A. February 1, 2021 Regular Meeting Minutes
- B. February 8, 2021 Special Meeting Minutes
- C. February 22, 2021 Special Meeting Minutes

5. NEW BUSINESS

- A. Update on Solid Waste and Landfill Division (Facilities and Community Services Director Chris Boatman)
- B. COVID-19 Orange Tier Meeting Format

6. STATUS REPORTS

- A. MUED Director's Report

7. POSSIBLE AGENDA ITEMS FOR NEXT MEETING

8. ADJOURNMENT

ATTACHMENTS:

- A. Draft Minutes of February 1 Regular Meeting, February 8 & 22, 2021 Special Meetings
- B. MUED Director's Report

CITY OF REDLANDS
MUNICIPAL UTILITIES/PUBLIC WORKS COMMISSION
Regular Meeting Minutes
February 1, 2021, 4:00 PM

This meeting was conducted as a teleconference meeting. All votes during the meeting were conducted by roll call.

In compliance with public health recommendations to limit public gatherings during the Covid-19 pandemic and acting as the City of Redlands Emergency Services Director, City Manager Charles M. Duggan Jr., directed meetings of the Municipal Utilities/Public Works Commission (MUPWC) of Redlands be closed to the public until further notice or until the current local State of Emergency has been lifted. The MUPWC will continue to meet to conduct essential business. Public comments (up to 250 words) received by noon, February 1 were read aloud by MUPWC liaison.

1. ATTENDANCE

A quorum was reached with the following Commissioners present: Chairperson Adekunle Ojo, Vice Chairperson Steve Stockton, Brad Thoms, Zachary Travis, David Garcia and Chandrasekar 'CV' Venkatraman. Roll call was taken again when Commissioner Tom Breitzkreuz joined the meeting after the meeting was called to order. A full quorum was established. City staff and guests present at roll call were: Municipal Utilities and Engineering Director John Harris, Engineering Manager Goutam Dobey, Associate Engineer Gerard Nepomuceno, Water Resources Specialist Cecilia Griego, Senior Administrative Assistant (MUPWC Liaison) Jane Weathers, and Consultant Alta Planning & Design Project Manager Tim Bevins. It was noted the following City staff joined after roll call: Utilities Operations Manager Kevin Watson and Superintendent Fernando Mata. Members from the public that were listed as Attendees in Zoom appeared as: Andrew Hoder, Mary Egan and Call-in User (which may have been City staff confirming the Zoom login on the agenda was working properly).

2. CALL TO ORDER

The meeting was called to order at 4:00 PM. Chairperson Ojo thanked and welcomed everyone who had joined the meeting and greeted all with a happy new year.

3. PUBLIC COMMENT

Ms. Weathers stated no public comments had been received.

4. APPROVAL OF MINUTES

A. December 7, 2020 Regular Meeting Minutes

The minutes of the December 7, 2020 regular meeting were reviewed.

A motion was made by Vice Chairperson Stockton to approve the December 7, 2020 commission meeting minutes and seconded by Commissioner CV. The motion passed 7-0.

5. STATUS REPORTS

A. City Council Liaison Report

None provided.

B. MUED Director Report

Director Harris sought Commissioners' feedback on the Director's Report provided to comprehensively address inquiries made by the MUPWC and will continue it if the content is deemed useful. A brief summary of the report and follow up discussion ensued concerning the Pavement Accelerated Repair Implementation Strategy (PARIS); 2020 Pavement Management Plan (PMP 2020); first quarter capital improvement program (CIP) projects; financial update specific to potential rate increases following the Utilities Advisory Committee's recommendations; master plans; the

CITY OF REDLANDS
MUNICIPAL UTILITIES/PUBLIC WORKS COMMISSION
Regular Meeting Minutes
February 1, 2021, 4:00 PM

San Bernardino Basin Area Groundwater Council; and the State water use reduction mandate (which included Southern California Edison's non-potable usage impact). Attached to the report were a pre- and post-PARIS map; CIP project list; six year list for potable water, non-potable water, and wastewater utilities projects; and an overview/status of the San Bernardino Basin Area Groundwater Council. Commissioners requested additional clarification related to the Groundwater Council item.

6. NEW BUSINESS

A. Presentation from Tim Bevins with Alta Planning of the Sustainable Mobility Plan (MUED Associate Engineer Gerard Nepomuceno)

Associate Engineer Nepomuceno introduced Alta Planning and Design (Alta) Project Manager Tim Bevins, the City's consultant preparing/presenting the Sustainable Mobility Plan (Plan), and provided a brief background on the Plan. Alta has been working with the Southern California Association of Governments, City staff and residents on developing the grant-funded Plan.

Via PowerPoint Mr. Bevins provided an overview of the Plan which included walking, biking, first/last mile facilities, and other non-motorized transportation planning projects related to active transportation in the City. An evaluation was performed to include walking and biking components contained within the Bicycle Master Plan adopted in 2015; General Plan 2035 adopted in December 2017; Redlands Passenger Rail Access Plan finalized in March 2020; Draft Redlands Transit Villages Specific Plan; and proposed sustainable mobility projects. The provision of safe and well-connected mobility choices, a reduction of both a reliance on automobiles and environmental emissions, and anticipated improved public health impacts are the Plan's goals. Public input, conducted virtually due to the pandemic, allowed walkers and cyclists to identify gaps and locations of concern, especially underserved communities, and offer suggestions to improve accessibility. With over 300 comments received, this data was paired with the City's geographic information systems database to create a project prioritization map and develop a reference tool or guide book for project implementations. The following criteria was utilized to rank projects based on need, community support and fit for potential funding sources: (1) proximity to priority destinations (e.g., schools); (2) collisions; (3) network connectivity (intra-city and regional), (4) community identified need (e.g., public input maps); (5) equity; (6) inclusion in previous planning efforts; and (7) feasibility.

B. Discussion and Possible Recommendation – Recommend to City Council Adoption of the Sustainable Mobility Plan

The following were discussed and asked to be considered: safety (i.e., high truck traffic lanes), review of development impact fees collected from developers for new development, funding sources and utilization of grant writers, and funding for long-term maintenance of street striping associated with street resurfacing projects or mobility projects.

A motion was made by Commissioner CV to recommend to City Council the adoption of the Sustainable Mobility Plan. Prior to tabulating votes, Commissioner Breitzkreuz suggested the motion should reflect the long-term striping maintenance that Vice Chairperson Stockton mentioned and the last two commissioners remaining to cast their vote supported his suggestion.

The motion was restated by Commissioner CV, seconded by Commissioner Travis, to recommend to City Council the adoption of the Sustainable Mobility Plan and that funding for long-term maintenance be given consideration. The motion passed 7-0.

Vice Chairperson Stockton made a motion for the original motion to be rescinded, seconded by Commissioner CV. The motion passed 7-0.

CITY OF REDLANDS
MUNICIPAL UTILITIES/PUBLIC WORKS COMMISSION
Regular Meeting Minutes
February 1, 2021, 4:00 PM

C. Discussion of Commission's Annual Presentation of Accomplishments and Goals to the City Council

As in previous years, City commissions and committees provide annual updates to the City Council. The update may be calendar year or rolling year from their last annual report. A tentative date of March 2 was set for the MUPWC to report to Council and asked the Commission to determine who would present and how they wanted to proceed. It was determined unanimously by his peers that Chairperson Ojo would present to City Council on behalf of the Commission. Ms. Weathers was asked to provide a draft (PowerPoint) to include topics discussed and recommendations made over the last year, and a sample report to Commissioners. A special meeting will be coordinated in the next two weeks to discuss and prepare their annual report.

7. POSSIBLE AGENDA ITEMS FOR NEXT MEETING

Additional clarification on the Groundwater Council, whether their meetings are subject to the Brown Act, and if the Commission can receive their agendas; an update on the WWTP rehabilitation, operations and related capital improvements; water capital improvement projects, including rehabilitation of tanks, pump stations, and/or line maintenance; and a status on staff's review of the DIF program and opportunity for the Commission to provide input for City Council's consideration. The UAC's findings include a recommendation concerning the DIF program and will be presented to the MUPWC prior to their presentation to City Council which is anticipated in March.

8. ADJOURNMENT

Chairperson Ojo thanked the Commission, staff, and consultant for their work and adjourned the meeting at 4:40 pm.

ATTACHMENTS:

- A. Draft Minutes of December 7, 2020 Regular Meeting**
- B. PARIS/PMP Map**
- C. PMP CIP**
- D. CIP Project Status**
- E. Utility CIP**
- F. Groundwater Council Summary**

CITY OF REDLANDS
MUNICIPAL UTILITIES/PUBLIC WORKS COMMISSION
Special Meeting of February 8, 2021, 4:00 PM
MINUTES

This meeting was conducted as a teleconference meeting. All votes during the meeting were conducted by roll call.

In compliance with public health recommendations to limit public gatherings during the Covid-19 pandemic and acting as the City of Redlands Emergency Services Director, City Manager Charles M. Duggan Jr., directed meetings of the Municipal Utilities/Public Works Commission (MUPWC) of Redlands be closed to the public until further notice or until the current local State of Emergency has been lifted. The MUPWC will continue to meet to conduct essential business. Public comments (up to 250 words) received by noon February 8 were read aloud by MUPWC liaison.

1. ATTENDANCE

Commissioner Thoms was excused. Chairperson Adekunle Ojo, Vice Chairperson Steve Stockton, and Commissioners Zachary Travis, David Garcia, Tom Breitreuz, and Chandrasekar 'CV' Venkatraman were present. A quorum was established with six commissioners. City staff in attendance were as follows: Director of MUED John Harris, Engineering Manager Goutam Dobey, Utilities Operations Manager Kevin Watson, Senior Project Manager Ross Wittman, and Senior Administrative Assistant Jane Weathers. City Council liaisons Council Member Tejeda and Mayor Foster were not present and no guests appeared in the Attendees list in Zoom.

2. CALL TO ORDER

Chairperson Ojo called the special meeting of the MUPWC to order at 4:10 PM. (Due to computer/audio issues the meeting started late.)

3. PUBLIC COMMENT

Ms. Weathers stated no public comments were received.

4. OLD BUSINESS

A. Continued Discussion and Review of Commission's Annual Presentation of Accomplishments and Goals to the City Council

Ms. Weathers displayed a draft PowerPoint containing the MUPWC's 2020 annual report to City Council for the group to review and modify for their 2021 annual report. Updates reflected the current Commission's background, accomplishments and recommendations since March 2020 related to street, water, and sewer master plans, capital improvements, facilities and infrastructure upgrades, and the ongoing utilities rate study. Their goals were revised to align with the MUPWC mission defined in the Redlands Municipal Code and coincide with their anticipated review of applicable studies, plans, programs and rates. Photos of projects referenced in the presentation were requested to be included. Chairperson Ojo was appointed by his fellow commissioners to present the annual report to the City Council on March 2. Vice Chair Stockton accepted to role of alternate in case Chairperson Ojo is unable to present. Ms. Weathers would send an updated draft for final review and input to the Commission.

5. ADJOURNMENT

The meeting was adjourned at 5:02 PM. A special meeting was being coordinated for the last week of February for the Utilities Advisory Committee (UAC) Chairperson John James to share with the MUPWC the status of the water, sewer, non-potable water rate study and the UAC's planned recommendations they will be making to City Council in March. Monday, February 22 at 4:00 PM was the date that all agreed to meet for a special meeting. The next regular meeting of the Commission will be Monday, April 5. An update on the solid waste enterprise was requested to be added to the agenda for that meeting.

CITY OF REDLANDS
MUNICIPAL UTILITIES/PUBLIC WORKS COMMISSION
Special Meeting of February 22, 2021, 4:00 PM
MINUTES

This meeting was conducted as a teleconference meeting. All votes during the meeting were conducted by roll call.

In compliance with public health recommendations to limit public gatherings during the Covid-19 pandemic and acting as the City of Redlands Emergency Services Director, City Manager Charles M. Duggan Jr., directed meetings of the Municipal Utilities/Public Works Commission (MUPWC) of Redlands be closed to the public until further notice or until the current local State of Emergency has been lifted. The MUPWC will continue to meet to conduct essential business. Any public comments (up to 250 words) received by noon February 22 were read aloud by MUPWC liaison.

1. ATTENDANCE

Chairperson Adekunle Ojo, Vice Chairperson Steve Stockton, and Commissioners Tom Breitzkreuz, Chandrasekar 'CV' Venkatraman, David Garcia, Zachary Travis and Brad Thoms were present, providing a full quorum. Guest speaker Chairperson John James, Council liaison Mayor Pro Tem Tejada and the following City staff were in attendance: Director of MUED John Harris, Utilities Operations Manager Kevin Watson, Engineering Manager Goutam Dobey, Senior Project Manager Ross Wittman, and Senior Administrative Assistant Jane Weathers. One attendee (member of the public) in Zoom was Dick Corneille, a Utilities Advisory Committee (UAC) Member.

2. CALL TO ORDER

Chairperson Ojo called the special meeting of the MUPWC to order at 4:03 PM.

3. PUBLIC COMMENT

Ms. Weathers stated no public comments were received, however, a message was received from UAC Member Christine Roque to pass along to Chairperson James her appreciation for the work he had done to prepare the presentation.

4. PRESENTATION

A. Update on the 2019 Utilities Advisory Committee's (UAC) Water and Wastewater Rate Study and Proposed Recommendations to City Council (UAC Chairperson John James)

Director Harris introduced John James, Chairperson for the UAC, and briefed the MUPWC on the efforts the UAC made over a series of meetings with staff and Raftelis, the financial consultant for the study, to comprehend the financial and operational status of the utilities being studied and make recommendations based on their findings. Their recommendations and the following presentation are anticipated for the City Council's March 16 meeting. For clarification of the UAC's purview, Chapter 2.70 of the Redlands Municipal Code was shared with the group which reads: "The powers, duties, and responsibilities of the committee are to review the water and wastewater rates, charges and revenue requirements of the city on a biannual basis. The primary goal of the committee shall be to recommend water and wastewater rates that provide revenue which recovers the costs reasonably borne by the city in providing water and wastewater services; are equitable to all customer classes; are in compliance with all state and federal law; and are easily explained to customers. The committee shall prepare and present its recommendations to the city council." Director Harris said the Committee had done that, and more, and welcomed Mr. James to proceed with his PowerPoint presentation.

Mr. James began with an introduction and overview of the 2019 UAC, noting they met in two sessions. The first session was interrupted by a critical failure of the City's wastewater treatment plant's (WWTP) membrane bioreactor filter train. The UAC had formalized recommendations for the City Council, and following a hiatus while staff resolved the failure, formally withdrew their recommendations. After the WWTP had been stabilized and determination that plant rehabilitation would be done over two phases (Phase 1 and Phase 2), staff reconvened with the UAC and Raftelis to again review water, wastewater and non-potable water/recycled water financials, including each utilities' operational status.

CITY OF REDLANDS
MUNICIPAL UTILITIES/PUBLIC WORKS COMMISSION
Special Meeting of February 22, 2021, 4:00 PM
MINUTES

The UAC is comprised of seven members per Chapter 2.70, and in late 2020, Monty Dill was appointed to fill a vacancy after one of the members, Michael Ten Eyck, passed away. During the second session, Jonathon Corbridge resigned from the UAC. Because the Committee's second session was concluding and their term was ending in May the vacancy was not filled.

Mr. James explained the UAC's financial analysis included operation and maintenance costs, capital improvement projects, revenue projects (using current rates), restricted and unrestricted reserve balances, revenue sources, required revenue adjustments to maintain reserves, and continuing to keep the City's credit rating at or above its current AA- level. With a focus on the WWTP and its operational status, an overview of the plant, its flow and discharge, recent upgrades and anticipated rehabilitation needs, and associated costs was presented.

A slide was shown to represent the current wastewater bi-monthly rates, proposed 15% rate increases in the next two years, and a forecast of increases that may be needed in the three years thereafter. The UAC would only be recommending rate increases for the next two years, in fiscal years (FY) 2021-2022 and 2022-2023. No rate increases were being recommended for potable water and non-potable/recycled water at this time. The bi-monthly bill impact for sewer customers was presented and showed the difference (an increase of \$7.76 every two months) for the average single family billing.

In summary, the following recommendations are to be made by the UAC to the City Council on March 16.

- 15% wastewater increase for the next two years, in FY 2021-2022 and FY 2022-2023
- Issuance of \$25 million in debt to cover the Phase 2 costs for rehabilitating the WWTP
- No potable water rate increases for the next two years
- Retain capital investment needed for continued reliable water delivery service
- Retain reserve balances at recommended target level
- No rate increases for non-potable water for the next two years
- Retain reserve balances to allow for future expansion of non-potable system
- Reconvene the UAC at the end of 2021 calendar year
- Re-evaluate level of capital expenditures and other infrastructure betterments per new master plans (which are anticipated to be completed later in 2021)
- Review cash and reserve levels of all funds and determine if rate adjustments are needed for FYs 2023-2024 and 2024-2025
- Recommend staff apply for State Revolving Fund loans before issuing bonds
- Recommend staff review current status of development impact fees charged for all utilities

5. NEW BUSINESS

A. Discussion of the Presentation of the 2019 Utilities Advisory Committee's (UAC) Water and Wastewater Rate Study and Possible Recommendation of the UAC's Proposed Recommended Rates to City Council

Discussion ensued with a variety of questions from commissioners including the duration of the study, rate adjustments without any debt issuance or State Revolving Fund loans, automated meter reading, meter replacements, meter accuracy testing, development impact fees, concern of potential increases to solid waste rates occurring at the same time as utilities rates, and capital improvement plans.

A motion was made by Vice Chairperson Stockton, seconded by Commissioner Garcia, to support the UAC's recommendations. The motion carried unanimously 6-0. (Commissioner Travis excused himself to attend another meeting and was not present at the time the motion was made.)

6. ADJOURNMENT

The meeting was adjourned at 5:04 PM. The next regular meeting of the Commission will be Monday, April 5. An update on the solid waste enterprise was requested to be added to the agenda for that meeting.



City of
REDLANDS
Incorporated 1888
Municipal Utilities & Engineering Department

JOHN R. HARRIS
Director

MEMORANDUM

TO: Adekunle Ojo, Municipal Utilities/Public Works Commission Chair

FROM: John R. Harris, Municipal Utilities & Engineering Department Director

DATE: March 29, 2021

SUBJECT: April 2021 Director's Report

Hello and thank you for serving the Redlands community as a Municipal Utilities/Public Works Commissioner (MUPWC)! City of Redlands Municipal Code Chapter 2.38 establishes the responsibilities of the MUPWC as follows:

"The commission is a resource for the City Council and City staff and buffer with the general public. In its advisory capacity, the commission shall be knowledgeable of all public works, utilities and engineering programs. The commission shall, through the individual and collective expertise of its members, provide advice to the Public Works and Municipal Utilities Departments regarding the public acceptability of proposed plans, programs and projects."

Groundwater Council Membership

On January 13, 2021, I met with representatives from the San Bernardino Basin Groundwater Council (GC) to discuss opportunities for Redlands to join the GC. Membership in the GC shows Redlands' ongoing commitment to sustainable water resource management, and allows direct participation in decision-making processes. Redlands is required to remit payment for Fiscal Years 2018/2019 through 2021/2022 for a total cost of \$1,082,460. The GC staff is supportive of allowing this payment to be made in equal installments of \$541,230. The first installment payment is due when Redlands joins the GC and requires a FY 20/21 Budget supplement of approximately \$141,000. The second installment payment is due with Redlands' next annual GC membership payment. Membership costs vary annually, and are not anticipated to exceed \$300K. On March 2, City Council directed staff to take the necessary steps for Redlands to join the GC.

Groundwater Council Meeting Agendas



Contrary to comments I made during the February 1, 2021 meeting, the Groundwater Council (GC) is not subject to requirements of the Brown Act. Nonetheless, interested individuals may review and download GC meeting agendas here:

<https://sbgroundwatercouncil.org/agendas-%26-minutes>

I will also forward agendas as I receive them.

Muni District AdValorem Tax Use vs. Property Tax Use vs. Redlands Groundwater Membership/Rate Use

In response to this discussion topic at our last meeting, MUED staff spoke with Heather Dyer, San Bernardino Valley Municipal Water District CEO/General Manager, and she provided clarification (Attachment “A”).

2021 Q2 Capital Improvement Project Update

The MUPWC is charged with, among other things, “*annually reviewing the City CIP under the purview of the Public Works and Municipal Utilities Departments*” (Municipal Code 2.38.030). However, during the December 7, 2020 MUPWC meeting, the Commission asked the MUED staff to provide quarterly CIP updates. A summary and status of CIP projects is provided in Attachment “B”.

Water Capital Improvement Project Implementation Update

On March 15, a bid notice was issued for construction of the FY 20/21 Waterline Replacement Project, with the goal of replacing approximately two (2) miles of waterlines that are well beyond their anticipated service life (Attachment “C”). Bids are due on March 31 for this project.

On March 29, a bid notice was issued for the first phase of the PMP-2020 Project (Attachment “D”), with the goal of rehabilitating approximately thirty-three (33) lane miles of public streets. Bids are due on April 15 for this project.

In fall 2021, bid notices will be issued for the FY 21/22 Waterline Replacement Project and second phase of the PMP-2020 Project. Both projects will be completed prior to the end of FY 21/22.

Wastewater Treatment Plant Project Update

As you know, Phase 1A of the WWTP Rehabilitation Project was successfully completed and accepted in November 2020. GSE Construction Company, Inc. was awarded a contract to construct Phase 1B of the Project in November 2020, which includes furnishing and/or installation of the following equipment:



- Fine Screens and Associated Equipment: Removes objects to prevent damage to the newly installed MBR filters;
- Ejector Priming System Upgrades: Removes air from the permeate vessel to prevent air locking of pumps;
- Scour Blowers and Associated Equipment: Creates air scouring, which provided premium efficiency and cost savings to the City. The blowers operate on a 24-hour basis, producing scour air that backwashes the filter media;
- Digester Boilers and Heat Exchangers: Maintains proper temperature for bacteria to decompose sewage sludge and produce digester gas;
- Gas Conditioning System: Cleans and conditions the gas to burn cleaner in the boilers to meet air quality regulations.

The project is currently on-schedule and on-budget.

Development Impact Fee (DIF) Update Process

Recently, both the MUPWC and UAC recommended that City Council update the Redlands DIF schedule. Revising the DIF schedule begins with a “*Cost For Services Study*”. I have included the DIF schedule update in the FY 21/22 MUED budget request.

Bi-Monthly Utility Billings

Recently, the MUPWC suggested that monthly, rather than bi-monthly, utility billings would improve cash flow, and asked why this is not being proposed. Currently, a small group of Water Meter Readers manually reads the meter of each water utility customer, and simply cannot do so in the span of a single month. We intend to replace all water meters incrementally during the next five (5) years, and will replace each meter pit lid with a new lid that has an Automated Metering Infrastructure (AMI) antenna pre-installed. Within the next 3 – 5 years, we intend to implement an AMI system that will the ability to instantaneously poll the meters of each water utility customer. We will consider transitioning to a monthly utility billing cycle at that time.

Consolidated Billings

Recently, the MUPWC suggested that consolidating City services on a single bill under-values each service. The perception is that residents and businesses tend to refer to this bi-monthly bill as a “utility bill” or “water bill”, although many non-utility services are included in the bill. The City uses a consolidated billing for customer convenience, and to avoid the perception that customers are billed for unused, or for too many, services.

As always, feel free to contact me anytime to discuss MUED issues, programs, projects, or concerns.

John R. Harris

jharris@cityofredlands.org



(909) 725-1963

Attachments:

- A. SBVMWD Letter
- B. CIP Status Update
- C. FY 20/21 Waterline Replacement Project Map
- D. FY 20/21 PMP-2020 Project Map



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San Bernardino, CA 92408
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fax: 909.387.9247
www.sbvmd.com

March 18, 2021

John Harris
Director
Municipal Utilities & Engineering Department
35 Cajon Street, Suite 15A
Redlands, CA 92374

SUBJECT: Questions from February 1, 2021 meeting of Redlands Municipal Utilities/Public Works Commission

Dear Mr. Harris,

It is a pleasure to welcome the City of Redlands (City) into the San Bernardino Basin Groundwater Council (GC). The City, like many other water retailers, relies heavily on the water supply from the San Bernardino Basin (SBB) and, together through the GC, we can help ensure a sustainable water supply long into the future.

At the City's February 1, 2021, Municipal Utilities/Public Works Commission (Commission) meeting, City staff updated the Commission on the status of the City joining the GC, based on the Commission's recommendation. The Commission also asked some specific follow-up questions. This letter is intended to provide responses to those follow-up questions.

As background, Valley District was formed in 1954 to find a supplemental water supply for the region and to represent the region in a 1951 water lawsuit filed by the Orange County Water District against the cities of San Bernardino, Riverside, Redlands and Colton. Valley District obtained the supplemental water supply through voter-approved participation in the State Water Project (SWP) and would continue to represent the retail water agencies within its service area for other lawsuits, including two others that were eventually settled in 1969 and are still in place today. Valley District was chosen, by the region, to serve as the Watermaster to ensure compliance with the two settlements, or judgments.

In addition to its roles of obtaining supplemental water and serving as Watermaster, Valley District has also served the region by leading development of regional studies that better inform our knowledge about our local water resources and has taken the lead on regional planning to ensure a sustainable water supply long into the future. Valley District's revenue sources include: property taxes which are restricted and dedicated to payments for the SWP, a portion of the San Bernardino County 1% tax rate, and water sales. With that as background, Valley District submits the following responses to the Commission's questions:

Board of Directors and Officers

JUNE HAYES
Division 1

GIL NAVARRO
Division 2

SUSAN LONGVILLE
Division 3

T. MILFORD HARRISON
Division 4

PAUL R. KIELHOLD
Division 5

HEATHER P. DYER
General Manager

Explain the difference between the property taxes levied by Valley District and the Groundwater Council Fees?

The Groundwater Council (GC) purchases SWP water for both direct delivery and groundwater recharge. Members of the GC pay their proportionate share of both the SWP water cost and the accompanying recharge cost for the San Bernardino Valley Water Conservation District (Conservation District) and the San Bernardino County Flood Control District.

Valley District's property tax revenue for the SWP is restricted to the SWP. This revenue could be used to pay the entire cost of SWP water for the GC. In fact, this was one of the funding options explored as the GC was being developed by the water retailers, including the City. However, this option was not selected because proportioning the cost for SWP water, through property taxes, is not based on the actual need for SWP water and results in communities with higher property values paying a higher share of the SWP cost, regardless of their need for SWP water. Instead, the water retailers favored an equitable distribution of the costs based on each retailer's actual need for, and use of, SWP water. They also believed that this approach would send a price "signal" to water retailers paying more for SWP water and, thereby, encourage water conservation and the sustainable use of this shared resource. In addition, because Valley District receives property tax revenue for the SWP, the water rate charged by Valley District for SWP water is only about 15% of the actual total cost to import the water.

Will Valley District and Conservation District reduce their property taxes by the amount they receive from the Groundwater Council?

The Conservation District's GC charge provides revenue to fund the recharge costs and replaces their Groundwater Charge for those groundwater producers within their boundary that are also in the GC. Valley District sets its SWP tax rate every year based on a variety of factors including: bond costs based on current amortization schedules from the Department of Water Resources, delivery cost, maintenance costs, replacement costs and the cost for new facilities like the proposed Delta Conveyance Project that will restore about 15% of past SWP losses due to environmental restrictions. While we cannot commit to future actions of the Board of Directors, it should be noted that we strongly believe proactive investment in groundwater recharge, as is being done by the GC, will support the long-term reliability and sustainability of the SBB, which in turn may decrease future costs to secure new sources of water and will be taken into consideration by the Board during its annual review of our SWP tax rate and its periodic review of our water rate.

Where would GC water purchased by Redlands be delivered?

The GC works collaboratively to develop an Annual Delivery Plan (Plan) for the SWP water it purchases. The Plan includes deliveries to treatment plants and various recharge locations including the Conservation District's Santa Ana and Mill Creek recharge facilities. As a member of the GC, Redlands can speak into this process and request deliveries at any preferred location(s).

Can excess property tax revenue be utilized to expedite SWP bond payments or call bonds to reduce the overall debt service?

The bonds for the SWP were issued by the State of California (State) and the State determines the payment schedule. With regard to any excess revenue, or reserves, the Valley District Board of Directors has developed a policy which it reviews annually. Currently, the Board of Directors has chosen to utilize its SWP reserves to pay cash for the upcoming Delta Conveyance Project and Sites Reservoir Project which will collectively cost Valley District about \$0.7 billion.

Thanks again for the City's partnership in the GC and for these thoughtful questions. If you, or members of the Commission, would like to get more involved, you may sign up for e-notification on our website, www.sbvmd.com, to be notified of Valley District workshops and meetings where the Board develops policy.

The GC is effective because it is a collaborative approach dedicated to supporting the values of shared responsibility and shared benefits, resulting in a reliable regional water supply and the long-term health of our groundwater basin. Remarkably, this effort is being undertaken voluntarily by regional stakeholders and those entities who actually depend on the water supply being available long into the future for the communities they serve. It is our hope that other groundwater basins will follow the lead of the GC and adopt a similar, proactive approach. Again, we welcome the City of Redlands to the GC and look forward to working together to ensure a sustainable water supply long into the future. If the Commission should have any further questions, please do not hesitate to contact us.

Sincerely,



Heather Dyer
CEO/General Manager

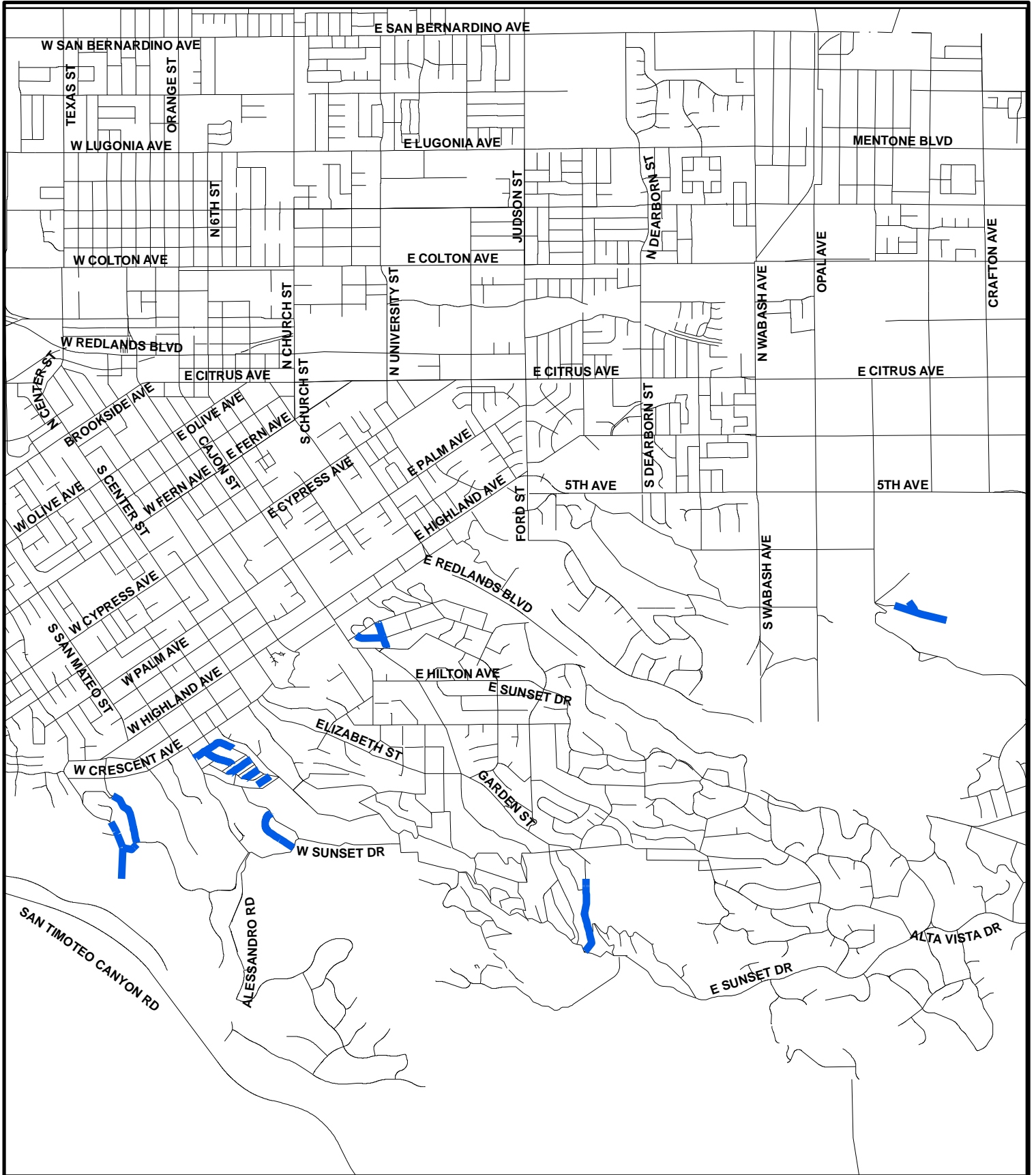
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MUNICIPAL UTILITIES AND ENGINEERING DEPARTMENT
CIP PROJECTS LIST
 March 2021

PLANNING		Org Key	GL	Project Name	Project Phase	Progress	Consultant/Contractor	PM/Engineer	Current Budget
P1	PMP/PARIS	211400	211003	PMP 2021 Street Resurfacing Project	PLANNING	0%			\$6,000,000.00
P2	PMP/PARIS	211400		Alley Paving Improvements (Outside of CDBG)	PLANNING	0%			\$550,000.00
P3	GENERAL FUND	101400		Citywide ADA Curb Ramp Improvements	PLANNING	0%			\$1,100,000.00
P4	GENERAL FUND	101400		Citywide Sidewalk Replacement Project	PLANNING	0%			\$700,000.00
P5	TRAFFIC SIGNAL	253400		Traffic Signal Improvements (Colton/University)	PLANNING	0%			\$600,000.00
P6	WATER	501910		2021 CIP Water Pipeline Replacement	PLANNING	0%			\$4,500,000.00
P7	WATER	501910		Water System SCADA Design & Integration - Phase II	PLANNING	0%			\$3,900,000.00
P8	WATER	501910		Annual Citywide Potable Water Meter Replacements	PLANNING	0%			\$1,815,000.00
P9	WATER	501910		Booster #2131 & #2132 Replacement	PLANNING	0%			\$100,000.00
P10	WATER	501910		Tank Mixers Installation	PLANNING	0%			\$100,000.00
P11	WATER	501910		Hinckley WTP Transimission Line Replacement	PLANNING	0%			\$100,000.00
P12	WATER	501910		Hinckley Sludge Press	PLANNING	0%			\$300,000.00
P13	WATER	501910		Tate WTP Transimission Line Assessment	PLANNING	0%			\$100,000.00
P14	WATER	501910		Tate PLC Replacement	PLANNING	0%			\$400,000.00
P15	WATER	501910		East Lugonia #3 Well Rehabilitation	PLANNING	0%			\$80,000.00
P16	WATER	501910		East Lugonia #6 Well Rehabilitation	PLANNING	0%			\$80,000.00
P17	WATER	501910		Church St Well Rehabilitation	PLANNING	0%			\$80,000.00
P18	WATER	501910		Airport #1 Well Rehabilitation	PLANNING	0%			\$120,000.00
P19	WATER	501910		Agate Well #2 Rehabilitation	PLANNING	0%			\$175,000.00
P20	WATER	501910		Wellhead Perchlorate Treatment Evaluation	PLANNING	0%			\$150,000.00
P21	WATER	501910		N. Orange #1 Well Rehabilitation	PLANNING	0%			\$120,000.00
P22	WASTEWATER	521910		2021 CIP Sewer Pipeline Replacement	PLANNING	0%			\$1,000,000.00
P23	WASTEWATER	521910		Alabama Septage Pond Remediation	PLANNING	0%			\$240,000.00
P24	WASTEWATER	521910		WWTP Drying bed lechate Remediation	PLANNING	0%			\$250,000.00
P25	WASTEWATER	521910		Storm Water Hillside Stabilization & Parking Lot Rehab	PLANNING	0%			\$100,000.00
P26	WASTEWATER	521910		WWTP Laboratory Instruments	PLANNING	0%			\$125,000.00
P27	NON-POTABLE	531910		Recylced Water Reservoirs	PLANNING	0%			\$180,000.00
P28	NON-POTABLE	531910		Well 31A Rehabilitation	PLANNING	0%			\$250,000.00
P29	NON-POTABLE	531910		Well 32 Rehabilitation	PLANNING	0%			\$100,000.00
P30	NON-POTABLE	531910		Citywide Non-Potable Water Meter Replacement	PLANNING	0%			\$93,000.00
P31	STORM DRAIN			Storm Drain Improvements Project	PLANNING	0%			\$1,000,000.00
P32	WATER CONSV			Brookside Median Landscape Improvements	PLANNING	0%			\$35,000.00
P33	WATER CONSV			WBIC/Smart Irrigation Controllers	PLANNING	0%			\$50,000.00
P34	WATER	501910	501022	Hinckley/Tate Roof Repair Project	PLANNING	0%		Paul	\$500,000.00
P35	WATER	501910	501030	Hinckley WTP Safety Fencing Project	PLANNING	0%		Paul	\$40,000.00
P36	WATER	501910	501028	Reservoir Sites Fixed Generators (Tx. St. / C.C. / 5th Ave.)	PLANNING	0%		Paul	\$750,000.00
P37	WATER	501910	501003	Sunset Reservoir Recoating & Improvement Project	PLANNING	0%		Goutam	\$2,100,000.00
P38	CDBG	200164	F164001	18/19 CDBG Civic Center ADA Improvements	PLANNING	5%		Veronica	\$129,471.00
P39	WATER	501910	501029	Tate ACH Tank Replacement	PLANNING	5%		Paul	\$25,000.00
P40	WATER	501910	501016	Tate WTP Clarifier Recoating	PLANNING	5%		Paul	\$500,000.00

MUNICIPAL UTILITIES AND ENGINEERING DEPARTMENT
CIP PROJECTS LIST
 March 2021

Planning Projects - Cost Summary									\$28,537,471.00
DESIGN									
	Org Key	GL	Project Name	Project Phase	Progress	Consultant/Contractor	PM/Engineer	Current Budget	
D1	HSIP C8	240400	F400001	HSIP Cycle 8 - Signal Preemption Project	DESIGN	50%	AGA Engineers, Inc.	Veronica	\$1,173,791.00
D2	HSIP C9	240400	F400003	HSIP Cycle 9 – Pedestrian In-Roadway Lights	DESIGN	50%		Veronica	\$250,000.00
D3	WATER	501910	501004	Hinckley WTP Backup Generator Replacement	DESIGN	25%		Paul	\$125,000.00
D4	GENERAL CAPITAL	240400		Orange Blossom Trail - Phase 4	DESIGN	30%		Johana	\$0.00
D5	ATP Cycle 2	240400	C400005	ATP Highland/Redlands Regional Connector - Orange St	DESIGN	65%	KOA Consultants	Veronica	\$1,532,843.00
D6	SBCTA	209400		I-210/San Bernardino Avenue Improvements	DESIGN	50%	SBCTA/Kimley Horn	Ross/Goutam	\$1,900,000.00
D7	SBCTA	254400	254002	I-10/Alabama Street Improvement (\$15,150,600)	DESIGN	95%	SBCTA/Advanced Civil Tech	Ross/Goutam	\$2,506,921.00
D8	ATP Cycle 3	240400	C400007	ATP East Valley Corridor Bike Rte Interconnect - Alabama	DESIGN	75%	KOA Consultants	Veronica	\$2,112,000.00
D9	GENERAL CAPITAL	240400	S241001	Orange Blossom Trail - Phase 3	DESIGN	95%		Gerard	\$918,722.00
D10	LOCAL TRANS	240400	F400003	HSIP Cycle 8 - Pedestrian Heads Project	DESIGN	95%		Veronica	\$260,000.00
Design Projects - Cost Summary									\$10,779,277.00
BID & AWARD									
	Org Key	GL	Project Name	Project Phase	Progress	Consultant/Contractor	PM/Engineer	Current Budget	
B1	WATER	501910	501031	2020 CIP Water Pipeline Replacement	BID & AWARD	40%		Gerard	\$2,500,000.00
B2	PMP	211400	211002	PMP 2020 Street Resurfacing Project	BID & AWARD	10%		Gerard	\$5,500,000.00
Bid & Award Project - Cost Summary									\$8,000,000.00
CONSTRUCTION									
	Org Key	GL	Project Name	Project Phase	Progress	Contractor	PM/Inspector	Contract Amount	
C1	SBCTA	254400	254001	I-10/University Interchange Project (\$5,812,935)	CONST	5%	SBCTA/ADVANTEC/SEMA	Kyle/Darren	\$1,234,260.00
C2	WASTEWATER	521910	521006	MBR & Digester Improvements Project- Phase 1B	CONST	20%	GSE Construction Co. Inc.	Goutam/Darren	\$6,128,100.00
C3	WATER	501910	501006	Water System SCADA Design & Integration	CONST	40%	Baker Electric, Inc.	Goutam/Paul	\$3,050,609.00
C4	WATER	501910	501023	Water Meter Replacement Project	CONST	85%	Golden Meters Services, Inc	Goutam/Darren	\$124,650.00
C5	CDBG	200164	F164002	19/20 CDBG Alley Paving Improvements	CONST	99%	GM Sager Construction, Inc.	Johana/Daniel	\$373,624.40
C6	WATER	501910	71060	2020 Citywide Pavement Repair for Water Projects	CONST	25%	Tryco General Engineering	Gerard/Daniel	\$429,020.00
C7	PARIS/M-I/SB-1	211400	211001	PARIS 2019 Resurfacing Project (1741-1988)	CONST	99%	Matich Corporation	Goutam/Frannie	\$10,675,000.00
C8	SBCTA Project	-	400010	Redlands Passenger Rail Project - SBCTA	CONST	90%	Flat Iron	Kyle/Ross/Darren	\$0.00
Construction Projects - Cost Summary									\$11,104,020.00
Project Total Dollars									\$58,420,768.00



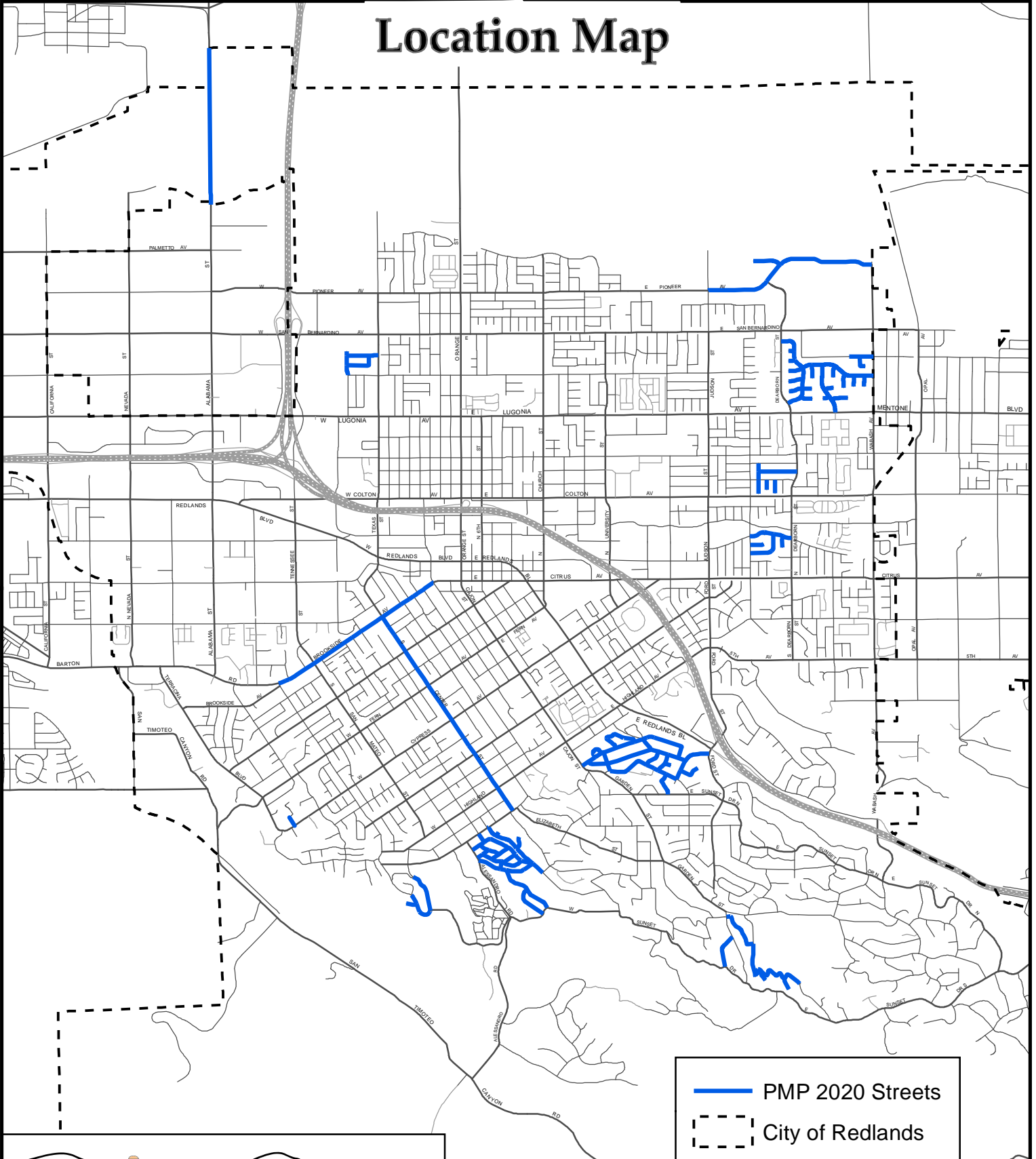
— PROPOSED WATER PIPELINE REPLACEMENT

2020 CIP WATER PIPELINE REPLACEMENT PROJECT LOCATION MAP



PMP 2020 (1989-2145)

Location Map



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