

ENGINEERING COMMITTEE NOTES

February 2, 2020

Attendees:

Committee members: Randall Reed (Chair) and Kevin Kenley

Staff members: John Bosler, Carrie Guarino, Eduardo Espinoza, Rob Hills, Chad Brantley, Praseetha Krishnan, Tuan Truong, Robert Koczko, Gidti Ludesirishoti, Frank Chu, Eric Grub, and Taya Victorino

Members of the Public: None.

Call to Order: 5:00 p.m.

Public Comment: None.

Additions/Deletions to Agenda: None.

Introductory Remarks by Chair Reed

Chair Reed announced for the record that this meeting was conducted by teleconference pursuant to the Brown Act waivers provided for under the Governor's executive Orders in response to the COVID-19 State of Emergency. Further, the agenda stated that there was no public location for attending this meeting in person. The agenda stated that the public may listen and provide comment telephonically by calling the number listed on the agenda. Chair Reed took a roll call of Committee members and staff present on the call as listed above.

I. Ontario/CVWD Interagency Agreement for Top Golf

- Staff presented a draft Special Connection Agreement for Sewer Service between CVWD and the City of Ontario to support a new Top Golf development. The property is located on the southeast corner of Archibald and 4th Street.
- Although the property is in Ontario's service area for water and sewer, only the District has a nearby sewer main available. Ontario intends to provide water service and requested that CVWD provide sewer service to the property.
- Ontario's goal is to be the single point of contact and billing for all utility services in their service area and is willing to accept the responsibilities and liabilities.
- This agreement is also required as an intermediate step prior to coordination with LAFCO to allow the District to provide service.
- This agreement was based on a similar agreement between CVWD and the City of Upland approved by District's Board of Directors in 2018. In that scenario, the District provides water and the City of Upland provides sewer.

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- This agreement was negotiated between Ontario and CVWD staff with advice from respective legal counsels.
- Chair Reed asked how this could impact Prop. 218 notification requirements. Staff indicated this was a good question, and would confirm those details with the board by the next stage in approval.
- The committee concurred with staff's recommendation to forward this item to the full Board of Directors for approval.

2. CIP B List Updates (verbal)

- Staff provided a verbal update on the CIP Deferred Projects List, otherwise referred to as the "B List".
- Engineering staff provided a background of the approach. Last spring 2020 staff brought the current two-year CIP budget to this committee, finance committee, and the Board just as the COVID-19 pandemic was already impacting the local and broader economy and the financial impact to the District was unclear. Staff proactively identified certain projects in the water fund, although important, could be reprioritized or deferred until the economic impacts to the District could be more understood. These projects were compiled in a separate "secondary" table or has also been referred to as the "B list". The projects in this list represent up to \$2.5M in FY 2021 and \$4.5M in FY 2022 in cost deferrals in the water fund. All projects including the B-list were reviewed and vetted by the engineering committee and conditionally approved by the board pending actual financial impacts to the District. The sewer and recycled water budgets are much smaller and their respective funds were in a good position to move forward as programmed.
- At present, almost a year into the COVID pandemic and 8 months after the CIP budget was conditionally approved staff is advising the engineering committee that the District is in good financial position to move forward with B-list projects.
- Finance staff updated the committee that the Water Fund is having a very strong year. Water sales revenue remained strong. The Operations Division also continued to leverage the Dry Year Yield program to save on operational expenses. Further, both budget years were balanced with all projects, including the B-list.
- It was also noted that only a few large projects made up the majority of the cost deferrals. Further deferral would delay and backlog key infrastructure improvements.
- The committee concurred with staff's recommendation to forward this item to the finance committee for review and comment, and to the Board of Directors for consideration and approval.

Meeting Adjourned at 5:35 p.m.