

December 16, 2018

To: Board of Directors

From: General Manager Elaine Cervantes/Executive Assistant Eduardo Antunez

A few notes to catch everyone up to speed. As we enter into December the following things will take place.

As you were all aware Mr. James Sanchez, Attorney representation of Lozano Smith, will not be available to serve the Biola Community any longer due to his additional workload, but has assigned another Attorney. Ms. Jessica Mejardo will join Mr. Sanchez at our December Board Meeting. Let's give her a chance and welcome her to our community.

Our Audit is final and we will be approving it at our next Regular Board Meeting. Mr. Jolley has provided everyone a copy of the audit. A copy of the Audit will be in your packet, so please review it before the meeting and if any questions need to be answered please contact the office.

The new General Manager Felipe Perez originally issued a start date of December 4, 2018 and now has moved his start date to December 20, 2018. Mr. Perez and I will both be conducting the next Regular Board Meeting in December and at that time will introduce Mr. Perez to the Community. I know it has been the concern of the Board on the time frame of the training for Mr. Perez. It has been suggested that 2 weeks is sufficient enough, but I feel that we won't know how long until Mr. Perez is in the office. I am thinking another month once he starts, but we will play it by ear, just know that I will do everything I can to keep my time here minimal so that it doesn't affect the Budget. Please note that the Board has agreed to hire Mr. Perez at a rate of \$25.00 an hour with 25 to 30 hours per week, also a 6month performance review will be held from the start date of December 20, 2018. A pay increase will be considered, but not guaranteed at that time. Letter of Intent attached.

Our part of the Housing Authority project has been completed and Randy Johnson has installed the new meter. Now the Housing Authority has gone out to bid for the Parking Lot, Lightening, shut off valves and playground that will be installed at the apartments also the line coming from Mercedes house will be cut off during that time of construction which should start by the end of the year.

Eduardo and I met with Alfonso Manrique on November 27, 2018 regarding the Waste Water Feasibility Grant. As discussed in the November Board Meeting that when the BCSD applied for this grant that the BCSD may need to apply for a \$175,000.00 Loan based on the calculations. Originally when this grant was presented it was not discussed to the Board that a potential Loan in the above amount would need to be obtained and that brought concern at our last Board Meeting. In speaking to Mr. Manrique, we explained that the BCSD would not be able to afford the projected amount listed above and if there was any way that we could cut some corners to eliminate the BCSD from needing to apply for a loan. Mr. Manrique stated that he would see where those adjustments could be applied and would let us know in the near future of the planning costs. The Project is as follows:

• Project 8155-110 (planning project – executed)	Project Cost	\$325,000
• Project 8155-210 (Construction Project – application)		<u>\$5,850,000</u>
• Total Project Cost		\$6,175,000
• Grant Limit		<u>\$6,000,000</u>
• Potential Loan Portion		\$175,000

Biola Recharge Grant a Project Grant Kickoff Meeting was held on December 6, 2018 with (DWR) Department of Water Resources. Gary Horn, Eduardo, Martha and Myself were present. This meeting was more of a meeting and greet now since we were awarded the Grant in the amount of \$705,000.00. We went over the roles and responsibilities and become familiar with the (DWR) Agreement. All the information was pretty standard terms and conditions and most of the work would fall on our Engineer Gary Horn, such as the reports, billing, invoice packet preparation and submitting deliverable and requirements. Our job is to maintain order and accountability that things are getting done in a timely manner. One item that was discussed was the billing portion of the Grant. In every Grant a 10% retention is held until the project is completed, in this case the amount would be approximately \$70,000.00. The BCSD would need to cover that amount when the time comes to cover certain Engineer and Construction Costs, but once the project is complete that amount would be paid back to the BCSD. Gary Horn mentioned that the \$70,000.00 is just an approximate and could potentially be less depending on the schedule of Grant. Just know that we will not need to seek a loan for this amount we have plenty in the reserve to cover the retention amount. This Projected is estimated to be completed by April 30, 2020.

FYI: We recently received a request for information, Awarding Body. This is regarding the Biola Avenue Sidewalk (CDBG 15031). An investigation to determine if the mentioned contractors are in violation of the Public Work Laws, Labor Code Sections 1720 through 1861. In speaking with the Labor Commissioner, State of California they explained that a Union compliant has been issued by MCECI on Kertel Communications (Sebastian). This is not against the BCSD, but as you can see the paperwork attached, we are needing to provide several items for this investigation, in which some items we do not have and will need to obtain. It is very important that for these reasons that we need a paper trail on everything that we do and have all our project folders in order so when request like these are needed its right at our finger tips.

Finally, a letter was issued to the Honorable Congressman, Jim Costa requesting the opportunity for Mr. Costa to swear in our incoming Board members at our next Regular Board Meeting. The Swearing will be at the beginning of the meeting and would only take about 15 minutes. The office of Mr. Costa has verbally confirmed, but we have not received anything in writing at this time.

Please note that the office will be Closed Monday, December 24th and Tuesday December 25, 2018 also Monday, December 31st and January 1, 2019, in observance of the upcoming Holidays.

