SAN BERNARDINO VALLEY | A REGIONAL WATER AGENCY SINCE 1954

AGENDA

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
380 E. Vanderbilt Way, San Bernardino, CA 92408

BOARD OF DIRECTORS' SPECIAL MEETING - RESOURCES/ENGINEERING
2:00 PM Tuesday, November 10, 2026

ZOOM INFORMATION
Online: https://sbvmwd.zoom/us/j/84832686691
Telephone: (877) 853-5247 US Toll-free

Meeting ID: 848 3268 6691
PASSCODE: 3802026

If you are unable to participate online or by telephone, you may submit your comments and questions in writing for Board consideration by emailing comments@sbvmwd.com with the subject line Public Comment Item # (insert the agenda item number relevant to your comment) or Public Comment Non-Agenda Item. Submit your written comments no later than 6 p.m. the day prior to the meeting. All public comments will be provided to the Board President and may be read into the record or compiled as part of the record.

IMPORTANT PRIVACY NOTE: Online participants MUST log in with a Zoom account. The Zoom app is a free download. Please keep in mind: (1) This is a public meeting; as such, the virtual meeting information is published on the World Wide Web and available to everyone. (2) Should you participate remotely via telephone, your telephone number will be your identifier during the meeting and available to all meeting participants; there is no way to protect your privacy if you elect to call in to the meeting.

CALL TO ORDER

1) INTRODUCTIONS

2) PUBLIC COMMENT
Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items except as authorized by law. Each speaker is limited to a maximum of three (3) minutes.

3) DISCUSSION AND POSSIBLE ACTION ITEMS

3.1 Consider PRIDE Industries Direct Installation Program Contract Change Order (30 min) - Page 3
Staff Memo - Consider PRIDE Industries Direct Installation Program Contract Change Order

4) FUTURE BUSINESS

5) CLOSED SESSION

5.1 CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Gov't Code section 54956.9: one potential case

6) ADJOURNMENT

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DATE: November 10, 2026

TO: Board of Directors' Special Meeting – Resources / Engineering

FROM: Kelly Malloy, Manager of Strategic Communications & Special Initiatives

SUBJECT: Consider PRIDE Industries Direct Installation Program Contract Change Order

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Staff Recommendation

Staff recommends that the Board of Directors authorize the CEO/General Manager to execute a change order with PRIDE Industries One, Inc. for scope enhancements to the Direct Installation Turf Removal and Indoor Water Fixture Replacement Program, adding a not-to-exceed amount of $1,543,666 to the existing contract amount of $1,454,550, making the total contract amount $2,998,216.

The total budgetary request for the Project is included in the approved FY 2026/2027 General Fund budget and will be reimbursed by the Department of Water Resources' Urban Communities Drought Relief Grant.

Summary

Staff is requesting the Board consider a scope enhancement to the contract with PRIDE Industries One, Inc., for the Direct Installation Turf Removal and Indoor Water Fixture Replacement Program (Project). The enhancements would allow for an increase in the number of participating properties within the Project, maximizing the Urban Communities Drought Relief Grant awarded to San Bernardino Valley.

The original scope of work consists of nearly 135,000 square feet of turf removal and replacement and installation of over 500 high-efficiency toilets with an approved contract amount of $1,454,550. Based on input from water retailers, staff has identified additional property locations within disadvantaged communities for participation throughout San Bernardino Valley's service area for a proposed scope enhancement that would result in an increase of approximately

190,000 square feet of turf removal and 1,270 high-efficiency toilet replacements before the December 31, 2026, grant funding deadline.

Background

San Bernardino Valley was awarded $5.7 million as part of the California Department of Water Resources' (DWR) 2022 Urban Communities Drought Relief Grant (Grant). Following the approval of Resolution No. 1194 by the Board of Directors at the June 3, 2025, Regular Board Meeting and Amendment 3 to the Grant Agreement, the Agency developed and implemented a Commercial Turf Removal Rebate Program along with direct installation programs for indoor water fixture replacements and turf removal/replacement. Amendment 3 gives the Agency broad discretion of allocating funding between the different programs and among property use classification to achieve water savings in the region. Execution of this program must be completed within an expedited timeline, as the grant requires that all eligible construction be completed prior to December 31, 2026, when the funding appropriation comes to an end. Due to the percentage of participating properties located within identified Disadvantaged Communities (DAC), DWR has waived the cost match requirement, making 100% of eligible expenses reimbursable by the grant.

This Project supports the Agency's commitment to providing conservation program coordination and supporting the efforts of retail agencies, as identified in the 2025 Regional Urban Water Management Plan. Additionally, it provides opportunities to reduce the square footage of non-functional turf ahead of the deadlines conditioned by California Assembly Bill 1572.

The original scope of work consisted of nearly 135,000 square feet of turf removal and replacement and installation of over 500 high-efficiency toilets with an approved contract amount of $1,454,550. The Board of Directors approved the original contract with PRIDE Industries One, Inc. at the Resources/Engineering Workshop on August 11, 2026. As noted at that time, PRIDE Industries' bid was below the Engineer's estimate; there is remaining funding available for a potential scope enhancement of the direct installation program. While implementing the contract scope, staff began working with PRIDE Industries to determine if an expansion of work could take place to fully use the available grant funding by the end of the calendar year.

To date, the project has been progressing smoothly, with positive feedback from property owners, residents, and water retailers. Staff hold weekly coordination meetings and communicate frequently with PRIDE Industries to ensure that questions and concerns can be addressed in a timely manner by the team. PRIDE Industries has demonstrated a commitment to representing

San Bernardino Valley in a professional manner during the installation of water conservation measures for disadvantaged community members. Examples of completed work products by PRIDE will be showcased at the meeting.

Below is a summary of the initial scope activities:

	Completed in September/October 2026	To Be Completed in November 2026
Turf Removal Site Investigations	20	Task Completed
Landscape Designs Developed and Approved by Property Owners	10	Task Completed
Turf Removed and Replaced (Square Footage)	0	134,980 (76,000* in progress as of 11/4/2026)
Toilets Installation/ Disposal	521	Task Completed
Showerheads Installed	404	Task Completed
Faucet Aerators Installed	398	Task Completed

*Turf removal efforts were actively underway at concurrent locations throughout October including turf treatment and removal, irrigation retrofits, and planting. Substantial progress has been made at each site, with PRIDE Industries closely following the developed Project schedule.

Based on input from water retailers, the team has identified additional DAC properties for both the indoor and outdoor direct installation program within San Bernardino Valley's service area whose property owners have communicated interest in participating in the enhanced scope. Staff and PRIDE Industries determined that the existing and proposed work could be completed within the grant's schedule and requirements. PRIDE Industries has sufficient resources to deploy additional crews from outside the region to achieve this ambitious schedule while maintaining the quality of the Project.

As is common in contract negotiation, to account for recent fuel cost increases along with the need to mobilize out-of-region crew members, the scope enhancement includes a request to allow an increase to the turf removal cost by $1 per square foot for the additional sites. All other task pricing would remain consistent with the original Bid Schedule. This requested price increase has been evaluated by staff and is considered a fair and competitive price for services to be provided.

Legal Counsel and Agency Finance have confirmed that the scope enhancement is consistent with California law and the Agency's Procurement Policy.

To continue maximizing site participation of locations that are eager to be included in the Project, an additional 190,000 square feet of turf removal and 1,270 high-efficiency toilets are ready for immediate implementation, pending Board approval. Approval of this scope enhancement will fully utilize the grant funding and maximize water savings benefiting the region. Given the strict construction deadline by the end of 2026, PRIDE Industries is prepared to mobilize additional crews to achieve the objective by utilizing available grant funds.

Should the Board determine not to move forward with the proposed scope enhancement, the alternative would be to return the remaining funding to DWR. Due to the grant construction deadline of December 31, 2026, it would not be feasible to renegotiate a reduced scope or transfer the eligible funding into the Turf Rebate Program with all conditions satisfied before the end of the year.

District Strategic Plan Application

This is consistent with San Bernardino Valley's mission, vision, and values to develop innovative projects and programs that will provide a reliable, resilient, and sustainable water supply that contributes to a healthy watershed for future generations.

Fiscal Impact

The proposed change order would increase the existing contract amount of $1,454,550 by $1,543,666, for a total of $2,998,216. Funding is included in the approved FY 2026/2027 General Fund budget. The remaining grant funding has been reserved for the Turf Removal Rebate Program. Since the Project sites are located within Disadvantaged Communities, work completed within the conditions of this contract will be reimbursed in its entirety by the 2022 Urban Communities Drought Relief Grant Funds.