



## **AGENDA**

### **MEETING OF THE BOARD OF DIRECTORS**

**WEDNESDAY, JULY 15, 2015  
10:00 A.M.**

**INLAND EMPIRE UTILITIES AGENCY\*  
AGENCY HEADQUARTERS  
6075 KIMBALL AVENUE, BUILDING A  
CHINO, CALIFORNIA 91708**

#### **CALL TO ORDER OF THE INLAND EMPIRE UTILITIES AGENCY BOARD OF DIRECTORS MEETING**

#### **FLAG SALUTE**

#### **PUBLIC COMMENT**

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a "Request to Speak" form which are available on the table in the Board Room. Comments will be limited to five minutes per speaker. Thank you.

#### **ADDITIONS TO THE AGENDA**

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

#### **1. NEW HIRE INTRODUCTION**

- Ms. Jill Kiefer, Executive Assistant, hired on 6/22/15 (April Woodruff)

#### **2. CONSENT CALENDAR**

**NOTICE:** All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by the Board by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Board votes unless any Board members, staff or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.

**A. MINUTES**

The Board will be asked to approve the minutes from the June 17, 2015 Board meeting.

**B. TREASURER'S REPORT ON GENERAL DISBURSEMENTS**

It is recommended that the Board approve the total disbursements for the month of May 2015, in the amount of \$12,569,573.77.

**C. ADOPTION OF RESOLUTION NO. 2015-7-3, NOMINATION OF KATHLEEN TIEGS AS ASSOCIATION OF CALIFORNIA WATER AGENCIES' PRESIDENT**

It is recommended that the Board adopt Resolution No. 2015-7-3, to support the nomination of Kathleen Tiegs as the Association of California Water Agencies' (ACWA) President.

**D. CALIFORNIA SPECIAL DISTRICTS ASSOCIATION CALL FOR ELECTION FOR SEAT A, REGION 6**

It is recommended that the Board elect incumbent Ms. Jo MacKenzie to serve as Director on the CSDA Board for Seat A, Region 6.

**E. CONTRACT AWARD TO PFM FOR FINANCIAL ADVISORY SERVICES**

It is recommended that the Board:

1. Approve Contract No. 4600001897 for financial advisory services with Public Financial Management (PFM); and
2. Authorize the General Manager to execute the contract.

**F. PURCHASE OF AGENCY-WIDE INSURANCE POLICIES**

It is recommended that the Board ratify the purchase of the following Agency-wide insurance policies with an effective date of July 1, 2015, providing coverage through July 1, 2016, for the amount included with the budget, which will provide the following coverage:

1. General Liability: Provides third party liability coverage for bodily injury and property damage through the Insurance Company of the State of Pennsylvania for up to \$20,000,000 per policy year, with a Self-Insured Retention (SIR) of \$500,000; and

Automobile Liability: Covers losses to other parties for bodily injury and property damage caused by Agency vehicles. Limits of coverage are \$20,000,000 per accident, with a SIR of \$500,000; and

Public Entity Errors and Omissions: Provides \$20,000,000 per policy year of protection against claims for damages arising from the negligent acts, errors, and omissions of the Board of Directors and/or Agency staff acting within their professional capacity, with a SIR of \$500,000.

2. Property, and Boiler and Machinery: Provides insurance protection resulting from damage and destruction of property through the California Sanitation Risk Management Authority (CSRMA) Property Program; with a deductible level of \$25,000.
3. Excess Workers' Compensation and Employer's Liability: Provides \$25,000,000 per policy year coverage against bodily injury and illness to employees in the scope of their employment insurance from Midlands Insurance, with a SIR of \$1,000,000.

**G. CONTRACT AWARD FOR THE CHINO CREEK INVERT REPAIR**

It is recommended that the Board:

1. Approve the construction contract award to Mike Bubalo Construction Company for the Chino Creek Invert Repair, Project No. EN12020, in the amount of \$156,000; and
2. Authorize the General Manager to execute the contract.

**H. CONSTRUCTION CONTRACT AWARD FOR THE AGENCY-WIDE HVAC IMPROVEMENTS PACKAGE NO. 3**

It is recommended that the Board:

1. Approve the construction contract award for the Agency-Wide HVAC Improvements Package No. 3, Project No. EN15032, to Allison Mechanical, Inc. for their low bid of \$431,216; and
2. Authorize the General Manager to execute the contract.

**I. CONSTRUCTION CONTRACT AWARD FOR THE PRADO, MONTCLAIR AND PHILADELPHIA COMMUNICATION MONOPOLES**

It is recommended that the Board:

1. Approve the construction contract award for the Prado, Montclair, and Philadelphia Communication Monopoles, Project Nos. EN13040, EN13043, and EN13042, to Davis Electric Inc. for the not-to-exceed amount of \$563,900; and
2. Authorize the General Manager to execute the contract.

**J. APPROVAL OF A MEMORANDUM OF UNDERSTANDING FOR THE DEVELOPMENT OF A RECYCLED WATER INTERCONNECTION WITH MONTE VISTA WATER DISTRICT AND CITY OF POMONA**

It is recommended that the Board:

1. Approve the Memorandum of Understanding (MOU) between Inland Empire Utilities Agency, Monte Vista Water District, and the City of Pomona for the development of a Recycled Water Interconnection; and
2. Authorize the General Manager to make non-substantive changes and execute the final MOU.

**K. CONTRACT AWARD TO OLIN CORPORATION FOR 12.5% SODIUM HYPOCHLORITE**

It is recommended that the Committee/Board:

1. Approve Contract No. 4600001899 to Olin Corporation, establishing a one-year contract for the supply of bulk 12.5% sodium hypochlorite with options for two additional one-year extensions, for a potential total contract term of three years; and
2. Authorize the General Manager to execute the contract with the two potential contract extensions.

**3. ACTION ITEMS**

**A. WASTEWATER FACILITIES MASTER PLAN**

It is recommended that the Board concur with the findings of the Wastewater Facilities Master Plan.

**4. INFORMATION ITEMS**

**A. MWD AND DROUGHT UPDATE (ORAL)**

**RECEIVE AND FILE INFORMATION ITEMS**

**B. ENGINEERING AND CONSTRUCTION MANAGEMENT MONTHLY UPDATE (POWERPOINT)**

**C. TREASURER'S REPORT OF FINANCIAL AFFAIRS (WRITTEN/ POWERPOINT)**

**D. PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)**

**E. LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES (WRITTEN)**

**F. LEGISLATIVE REPORT FROM WEST COAST ADVISORS (WRITTEN)**

**G. LEGISLATIVE REPORT FROM AGRICULTURAL RESOURCES (WRITTEN)**

**H. CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT (WRITTEN)**

**I. FEDERAL LEGISLATION TRACKING (WRITTEN)**

**J. STATE LEGISLATION TRACKING (WRITTEN)**

**K. 4<sup>TH</sup> QUARTER UPDATE - PLANNING & ENVIRONMENTAL RESOURCES**

Materials related to an item on this agenda submitted to the Agency, after distribution of the agenda packet, are available for public inspection at the Agency's office located at 6075 Kimball Avenue, Chino, California during normal business hours.

**5. AGENCY REPRESENTATIVES' REPORTS**

**A. SAWPA REPORT (WRITTEN)**

Next Commission meeting scheduled on July 21, 2015.

**B. MWD REPORT (WRITTEN)**

**C. REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT**

(Meeting was cancelled for July 2<sup>nd</sup>)

**D. CHINO BASIN WATERMASTER REPORT (WRITTEN)**

**6. GENERAL MANAGER'S REPORT (WRITTEN)**

**7. BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS**

**8. DIRECTORS' COMMENTS**

**9. CONFERENCE REPORTS**

This is the time and place for the Members of the Board to report on prescheduled Committee/District Representative Assignment meetings, which were held since the last regular Board meeting, and/or any other items of interest.

**10. CLOSED SESSION**

**A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) –  
CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

1. Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010
2. Martin vs. IEUA, Case No. CIVRS 1000767
3. Sheilds vs. IEUA, Case No. CIVRS 1301638
4. Desaddi vs. IEUA, Case No. CIVRS 1304617
5. Mwembu vs. IEUA, Case No. CIVDS 1415762
6. Southern California Edison vs. IEUA, Case No. CIVRS 1308595

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**B. PURSUANT TO GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR**

1. Property: Water and Pipeline Capacity/Cadiz  
Negotiating Party: General Counsel Jean Cihigoyenetché
2. Supplemental Water Transfer/Purchase  
Negotiating Party: General Manager P. Joseph Grindstaff  
Under Negotiation: Price and Terms of Purchase

**C. PURSUANT TO GOVERNMENT CODE SECTION 54956.9 CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

1. Two (2) Cases

**D. PURSUANT TO GOVERNMENT CODE SECTION 54957 – PERSONNEL MATTERS**

1. Various Positions – Compensation Study
2. Various Positions

**3. ACTION ITEMS – continued.**

**B. ADOPTION OF RESOLUTION NO. 2015-7-1, AMENDING THE MEMORANDUM OF UNDERSTANDING (MOU), SALARY MATRIX AND CLASSIFICATION PLAN FOR ALL OPERATORS' AND PROFESSIONAL UNIT EMPLOYEES**

It is recommended that the Board:

1. Approve and adopt the recently completed classification and compensation study (Study) for all Operators' and Professional Unit employees;
2. Approve the modification of various position titles for all the Operators' and Professional Unit employees, as a result of the Study; and
3. Adopt Resolution No. 2015-7-1 to amend the 2013 through 2018 MOUs for the Operators' and Professional Units with a new salary matrix and classification plan based on the results of the Study.

**C. ADOPTION OF RESOLUTION NO. 2015-7-2, APPROVING THE AMENDMENTS TO THE SALARY SCHEDULES/MATRIXES FOR THE OPERATORS' UNIT AND PROFESSIONAL UNIT**

It is recommended that the Board adopt Resolution No. 2015-7-2, amending the salary schedule/matrix for the Unrepresented, Executive Management, Laboratory Unit, Operators' Association and Professional Unit.

**11. ADJOURN**

\*A Municipal Water District

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary/Office Manager (909) 993-1736, 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

Proofed by: \_\_\_\_\_

### Declaration of Posting

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I, April Woodruff, Board Secretary of the Inland Empire Utilities Agency\*, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA on Thursday, July 9, 2015.

  
\_\_\_\_\_  
April Woodruff




**CONSENT  
CALENDAR  
ITEM**


**2K**


Date: July 15, 2015

To: The Honorable Board of Directors

Through: Engineering, Operations, & Biosolids Management Committee (07/08/15)  
Finance, Legal, and Administration Committee (07/08/15)

From:  P. Joseph Grindstaff  
General Manager

Submitted by: Ernest Yeboah   
Executive Manager of Operations

Matthew Melendrez   
Deputy Manager of Operations

Subject: Contract Award to Olin Corporation for 12.5% Sodium Hypochlorite

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### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Approve Contract No. 4600001899 to Olin Corporation, establishing a one-year contract for the supply of bulk 12.5% sodium hypochlorite with options for two additional one-year extensions, for a potential total contract term of three years; and
2. Authorize the General Manager to execute the contract with the two potential contract extensions.

### **BACKGROUND**

Sodium hypochlorite (commonly referred to as bleach) is a critical process chemical used during wastewater treatment for disinfection. Sodium hypochlorite is also used for odor control in chemical odor scrubbers.

The current supply contract with JCI Jones will expire on July 31, 2015. On May 26, 2015, a formal Request for Proposal was issued through the BidNet Network online solicitation system to 47 potential bidders. The bid closed on June 10, 2015 with one response from Olin Corporation.

Contract Award to Olin Corporation for 12.5% Sodium Hypochlorite  
July 15, 2015  
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Olin proposed a price of \$0.548 per gallon including delivery. That price is \$.025 per gallon or 4.4% less than the current contract price of \$0.573 per gallon.

Olin has been the Agency supplier for sodium hypochlorite in the past and has performed to staff's expectations. Therefore, staff recommends that the Board approve the issuance of a three year contract to Olin Corporation. Under the proposed contract, pricing will be fixed at the aforementioned rate for an initial one-year period. Two potential one-year options are also provided for under the contract, provided that the two parties can reach mutual agreement as to option pricing.

**PRIOR BOARD ACTION**

On June 18, 2012, the Board of Directors awarded a three-year contract to JCI Jones, Inc.

**IMPACT ON BUDGET**

If approved, the anticipated chemical expenditures will be funded from the Fiscal Year 2015/16 Regional Wastewater Operations and Maintenance (RO) sodium hypochlorite budget of \$1,666,529.



**CONTRACT NUMBER: 4600001899  
FOR  
SUPPLY OF 12.5% SODIUM HYPOCHLORITE**

This CONTRACT (Contract) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2015, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as Agency) and Olin Corporation, dba Olin Chlor Alkali Products of Tracy, California (hereinafter referred to as Supplier), for bulk supply and delivery of 12.5% sodium hypochlorite.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

- A. **CONTRACT ADMINISTRATOR:** All general direction related to this Contract shall come from the designated Contract Administrator. Details of the Agency's assignment are as follows, or as provided to the Supplier in writing at a future date:

Contract Administrator: Roger Hughbanks  
Contracts and Programs Administrator  
Address: 6075 "A" Kimball Avenue  
Chino, CA 91708  
Telephone: (909) 993-1679  
Email: [rhughbanks@ieua.org](mailto:rhughbanks@ieua.org)

- B. **SUPPLIER ASSIGNMENT:** Special inquiries related to this Contract and the effects of this Contract shall be referred to the following:

Supplier: John Schabacker  
Business Director  
Address: 26700 South Banta Road  
Tracy, California 95304  
Telephone: (209) 221-8265  
E-mail: [jmschabacker@olin.com](mailto:jmschabacker@olin.com)

- C. **ORDER OF PRECEDENCE:** The documents referenced below represent the Contract Documents. Where any conflicts exist between the general terms and conditions, addenda, attachment(s), or other contractual documents, the governing order of precedence shall be as follows:

1. Amendment(s) to Contract No. 4600001899
2. Contract No. 4600001899 Terms and Conditions.
3. Agency's Request for Proposal No. RFP-RH-15-044
4. Supplier's proposal dated May 28, 2015

- D. **SCOPE OF WORK:** Supplier product, services, and responsibilities shall include and be in accordance with the following:

**PRODUCT REQUIREMENTS:** Sodium hypochlorite shall be supplied and delivered (in bulk) as 12.5 percent solution. Sodium hypochlorite purchased under this Contract shall meet AWWA standards for wastewater treatment and shall comply in all respects with Federal, State, and local rules and regulations in effect at the time of delivery.

**ESTIMATED QUANTITIES:** The Supplier shall supply and deliver all (100%) of the 12.5% bulk sodium hypochlorite to be used by the Inland Empire Utilities Agency at its various facilities during the term of any Contract entered into. The Agency anticipates total annual usage of sodium hypochlorite to be approximately 2,605,000 gallons. However, the Agency will not be obligated to purchase any specific quantities and reserves the right to purchase either more or less product at the firm-fixed price established within the ensuing Contract.

**SHIPPING INSTRUCTIONS:** Shipments shall be made within three calendar days upon receipt of either a verbal or written shipping order from the Agency. Orders will be placed on an "as-needed" basis to suit the Agency's requirements throughout the Contract period. It is anticipated that deliveries to the RP-1 facility will be made daily in 5,000 gallon loads. 5,000 gallon deliveries will also be made to the CCWRF, RP-4 and RP-5 facilities, but on an "as needed" rather than daily basis. All other locations will be delivered approximate 2,000 to 3,000 gallon loads. Deliveries shall be made between the hours of 7:00 a.m. and 2:30 p.m., no deliveries will be accepted between 12:00 and 12:30 p.m.

All bill of lading/shipping documents and associated invoice documents shall reference the number of gallons delivered, as well as the corresponding number of pounds in order to facilitate the Agency's internal receiving and Accounts Payable transactions.

**DELIVERY LOCATIONS:** Sodium hypochlorite shall be delivered to the following locations:

	<u>ESTIMATED ANNUAL USAGE</u>
Inland Empire Utilities Agency Regional Plant No. 1 (RP-1) 2662 E. Walnut Avenue Ontario, California 91761	1,600,000 gallons
Inland Empire Utilities Agency Carbon Canyon Wastewater Reclamation Facility (CCWRF) 14950 Telephone Avenue Chino, California 91708	400,000 gallons
Inland Empire Utilities Agency Regional Plant No. 4 (RP-4) 12811 6 <sup>th</sup> Street Rancho Cucamonga, California 91729	275,000 gallons
Inland Empire Utilities Agency Regional Plant No. 5 6075 "C" Kimball Avenue Chino, CA 917108	320,000 gallons
Inland Empire Utilities Agency Regional Plant No. 2 16400 El Prado Rd. Chino, CA 91708	10,000 gallons

In addition, the Agency reserves the right to include any additional delivery locations located within its service area as may be required in the future. Any added location shall receive the same product, service, pricing, etc. as required in the Contract.

**LOADING AND UNLOADING:** Upon arrival, the delivery person will report to the Operations Building receptionist; upon notification an Agency operator will observe and approve all loading and unloading of shipments. The Supplier shall allow a reasonable period of time, up to one hour, between notification of clerk and approval by Agency operators to unload shipment. Procedures for loading and unloading of all shipments shall comply with Cal-OSHA and AWWA Standards. The Supplier's unloading crew must possess and wear appropriate personal protection equipment (PPE), compliant with OSHA regulations, throughout each unloading process. Loading and unloading of all shipments will not commence without an Agency Operator present. The Supplier's delivery equipment must be fully compatible with Agency facilities and equipment. Deliveries shall be executed without any spillage of material. Any spilled material, however minor, shall immediately be contained and properly removed by the Supplier. Any damage or disfigurement to Agency property caused by a spill shall be corrected by the Supplier immediately.

**PRODUCT SAMPLE:** The Agency will require, on an as needed basis, that a sample of the product delivered be collected by Agency personnel prior to unloading. The amount of sample required will be approximately one quart. Suppliers equipment must accommodate for the collection of the sample without causing the spilling or splashing of product.

**TERMINATION:** The Agency may reject delivery or terminate the Contract if the quality of the delivered sodium hypochlorite does not meet the product specifications. In the event delivered product is rejected for failure to meet the product specifications, it shall be the sole responsibility of the Supplier to immediately remove said product and provide acceptable replacement product at the sole expense of the Supplier. The Agency may terminate the Contract should two or more deliveries of sodium hypochlorite be rejected in a one year period.

**EMERGENCY TELEPHONE NUMBER:** The Supplier shall provide a telephone number(s) where a representative may be contacted 24 hours a day, seven days a week in the event of an emergency.

**SAFETY DATA SHEETS:** The Supplier shall provide a copy of the associated Safety Data Sheet (SDS) to the Agency's Contract Administrator upon execution of any Contract entered into and whenever said document is revised or updated. Additionally, a copy of the product's SDS shall be submitted to the Agency Operator present at the time of each delivery.

**SAFETY TRAINING:** The Supplier shall provide training in the safe and proper handling procedures of their product and emergency "C" kits at the request of the Agency. Training shall be provided at least once per calendar year. This training shall be provided at the Agency's Regional Plants, as required. The training shall be provided at no additional expense to the Agency.

- E. **TERM OF CONTRACT / OPTIONS / PRICE ADJUSTMENTS:** The term of this Contract shall run from the date of its bi-lateral execution through July 31, 2016, or as mutually agreed to between the Supplier and Agency in any written extension to said Contract. Additionally, upon both Parties reaching mutual agreement as to a revised unit price, the Contract may be extended, in twelve month increments, for an additional period not-to-exceed 24 months, resulting in a potential total Contract term of three years. In the event the Agency desires to exercise one or both of the Contract extension options provided for in this Section, the Agency shall provide written notice to the Supplier prior to the expiration of the original Contract term, or any extension thereof.
- F. **PAYMENT, INVOICING AND COMPENSATION:** The Agency shall pay Supplier's properly executed invoice(s) within thirty (30) calendar days following receipt of the invoice. Payment will be withheld for any product which does not meet the requirements of this Contract or has proven unacceptable until such product is replaced and accepted by the Project Manager.

Subsequent to each delivery, Supplier may submit its associated invoice to:

The Inland Empire Utilities Agency  
Attention: Accounts Payable Department  
P.O. Box 9020  
Chino Hills, CA 91709

Alternatively, invoices may be submitted via e-mail addressed to: APGroup@ieua.org

As compensation for product provided under this Contract, the Agency shall pay the Supplier in accordance with the price schedule shown below.

**Full Truckload (~5,000 Gallon) Deliveries:**

<b>PRODUCT PRICE/<u>GALLON</u></b> (delivered)	<b>\$ .548</b>
<b>SALES TAX (EXEMPT)</b>	Not Applicable
<b>TOTAL NET PRICE/<u>GALLON</u></b> (delivered)	<b>\$ .548</b>

**Partial Truckload (~2,000 to ~3,000 Gallon) Deliveries:**

<b>PRODUCT PRICE/<u>GALLON</u></b> (delivered)	<b>\$ .548</b>
<b>SALES TAX (EXEMPT)</b>	Not Applicable
<b>TOTAL NET PRICE/<u>GALLON</u></b> (delivered)	<b>\$ .548</b>

**Charge for Split-Loads (to be incurred after 1<sup>st</sup> stop)** **\$ 75.00**  
(Full truckload delivered to/split between 2 IEUA destination points)

**G. FITNESS FOR DUTY:**

1. **Fitness:** Supplier and its Subcontract personnel on Agency property:
  - a. shall report for work in a manner fit to do their job;
  - b. shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the work is not affected thereby); and
  - c. shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of the Agency.
2. **Compliance:** Supplier shall advise all supplier and subcontractor personnel and associated third parties of the requirements of the Contract ("Fitness for Duty Requirements") before they enter on Agency property and shall immediately remove from Agency property any employee determined to be in violation of these requirements. Supplier shall impose these requirements on its Subcontractors. The Agency may cancel the Contract if Supplier violates these Fitness for Duty Requirements.

**H. REQUIRED INSURANCE:** During the term of this Contract, the Supplier shall maintain at the Supplier's sole expense, the following insurance.

1. **Minimum Scope of Insurance**

- a. **General Liability:** \$1,900,000 combined single limit per occurrence for bodily injury, personal injury and property damage, with a \$3,000,000 general aggregate. Coverage shall be at least as broad as Insurance Services Office form number GL 00 02 (Ed. 1/73) covering Comprehensive General Liability and Insurance Services Office form number GL 04 04 03 81 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage, "occurrence" form CG 00 02 04 13.

If the Supplier utilizes a claims made policy they agree to maintain said policy or a tail on said policy, at the same limits of coverage as required pursuant to this document, for a period of three years after the expiration of, or any extensions to the Contract.

- b. **Automobile Liability:** \$2,000,000 combined single limit per accident for bodily injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number CA 00 01 10 13 covering Automobile Liability, code 1 "any auto" and endorsement CA 00 25 (Ed. 01 86).
- c. **Workers' Compensation and Employers Liability:** Workers' compensation limits as required by the Labor Code of the State of California and employers Liability limits of \$1,000,000 per accident.

2. **Deductibles and Self-Insured Retention:** Supplier shall maintain \$100,000 of self-insured retention throughout the entire term of this Contract.

3. **Other Insurance Provisions:** The policies are to contain, or be endorsed to contain, the following provisions:

- a. **General Liability and Automobile Liability:**

- (1) The Agency, its officers, officials, employees and volunteers are to be covered as insureds, endorsement GL 20 10 04 13 & 20 37 04 13 as respects: liability arising out of activities performed by or on behalf of the Supplier, products and completed operations of the Supplier, premises owned, occupied or used by the Supplier, or automobiles owned, leased, hired or borrowed by the Supplier. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees or volunteers.
- (2) The Supplier's insurance coverage shall be primary insurance as respects the Agency, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, or volunteers shall be excess of the Supplier's insurance and shall not contribute with it.
- (3) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.
- (4) The Supplier's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- (5) The Supplier may satisfy the limit requirements in a single policy or multiple policies. Any such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

- b. **Workers' Compensation and Employers Liability Coverage:**





5. **Conflict Of Interest:** No official of the Agency who is authorized in such capacity and on behalf of the Agency to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.
6. **Equal Opportunity:** During the performance of this contract the Agency, the Supplier and any Subcontractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, marital status, national origin, or physical handicap.
7. **Disputes:**
  - a. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Supplier shall pursue the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et. seq., or their successor.
  - b. Any and all disputes during the pendency of the work shall be subject to resolution by the Agency Project Manager and the Supplier shall comply, pursuant to the Agency Project Manager instructions. If the Supplier is not satisfied with any such resolution by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written notice of the Agency's decision. Failure by Supplier to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Agency Project Manager's resolution. The Agency's Project Manager shall submit the Supplier's written protests to the Chief Executive Officer/General Manager (CEO/GM), together with a copy of the Agency Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The CEO/GM shall make his or her determination with respect to each protest filed with the Agency Project Manager within ten (10) calendar days after receipt of said protest(s). If Supplier is not satisfied with any such resolution by the CEO/GM, they may file a written request for arbitration with the Project Manager within seven (7) calendar days after receiving written notice of the CEO/GM's decision.
  - c. In the event of arbitration, the parties hereto agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:
    - (1) The Demand for Arbitration shall include a list of five names of persons acceptable to the Supplier to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Supplier are acceptable and, if so, such person will be designated as Arbitrator.
    - (2) In the event that none of the names submitted by Supplier are acceptable to the Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Supplier a list of five names of persons acceptable to the Agency for appointment as Arbitrator. The Supplier shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.
    - (3) If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to

the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration, including but not limited to reasonable attorneys' fees, shall be recoverable by the party prevailing in the arbitration. If this arbitration is appealed to a court pursuant to the procedure under California Code of Civil Procedure Section 1294, et. seq., or their successor, the costs of arbitration shall also include court costs associated with such appeals, including but not limited to reasonable attorneys' fees which shall be recoverable by the prevailing party.

- d. **Joinder in Mediation/Arbitration:** The Agency may join the Supplier in mediation or arbitration commenced by a Supplier on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from the Agency's representative to the Supplier.

- K. **INFRINGEMENT:** Supplier represents and warrants that Work and Documentation shall be free of any claim of trade secret, trade mark, trade name, copyright, or patent infringement or other violation of any Proprietary Rights of any person.

Supplier shall defend, indemnify and hold harmless, Agency, its officers, directors, agents, employees, successors, assigns, servants, and volunteers free and harmless from any and all liability, damages, losses, claims, demands, actions, causes of action, and costs including reasonable attorneys' fees and expenses arising out of any claim that use of the Work or Documentation, to replace or modify the Work and Documentation infringes upon any trade secret, trade mark, trade name, copyright, patent, or other Proprietary Rights.

Supplier shall, at its expense and at Agency's option, refund any amount paid by Agency under the Contract, or exert its best efforts to procure for Agency the right to use the Work and Documentation, to replace or modify the Work and Documentation as approved by Agency so as to obviate any such claim of infringement, or to put up a satisfactory bond to permit Agency's continued use of the Work and Documentation.

- L. **TAXES, FEES, AND CHARGES:** The Supplier, and any of its Subcontractors, shall pay all sales, consumer, use and other similar taxes, and pay all charges and fees required to be paid by the Supplier, or any of its Subcontractors, in accordance with state, county, and local laws and ordinances.

- M. **NOTICES:** Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Agency: Warren T Green  
Manager of Contracts/Procurement & Facilities Services  
Inland Empire Utilities Agency  
P.O. Box 9020  
Chino Hill, CA 91709

Supplier: John M. Schabacker  
Business Director  
Olin Corporation, dba Olin Chlor Alkali Products  
26700 South Banta Road  
Tracy, California 95304

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

- N. **INTEGRATION:** The Contract Documents represent the entire agreement between the Agency and the Supplier as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered, or amended except by written mutual agreement by the Agency and the Supplier. (Government Code Section 4154)
- O. **GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California.
- P. **SUCCESSORS AND ASSIGNS:** All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the Agency, the Supplier, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Supplier under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Contract Administrator and/or Agency; and any such purported or attempted assignment, transfer, or disposal without the prior written consent of the Contract Administrator and/or Agency shall be null, void, and of no legal effect whatsoever.
- R. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, acts of nature, etc.
- S. **TERMINATION:** The Agency reserves the right to suspend, cancel, or terminate this Contract at any time upon ten calendar days written notice to the Supplier. In the event of such termination, the Agency shall pay Supplier for all authorized and Supplier-invoiced product, approved by the Contract Administrator, up to the date of such termination. (Government Code Section 4154)
- T. **CHANGES:** The Agency may, at any time, make changes to this Contract's Scope of Work; including additions, reductions and other alterations to any or all of the work. However, such changes shall only be made via written, bi-laterally signed amendment to this Contract. The Contract Price and Work Schedule shall be equitably adjusted, if required, to account for such changes and shall be set forth within the Contract Amendment.
- U. **FOB POINT:** The FOB point for all product delivered against this contract shall be "destination."
- V. **NOTICE TO PROCEED:** No services shall be performed or furnished under this Contract unless and until a Contract has been executed by both parties and a Notice to Proceed has been issued by the Agency.

AS WITNESS HEREOF, the parties hereto have caused the Contract to be entered as of the day and year written above.

**INLAND EMPIRE UTILITIES AGENCY:**

**OLIN CORPORATION:**  
(dba Olin Chlor Alkali Products)

\_\_\_\_\_  
P. Joseph Grindstaff                      Date  
General Manager

\_\_\_\_\_  
Frank W. Chirumbole                      Date  
President, Chlor Alkali Products

**ACTION  
ITEM**

**3A**



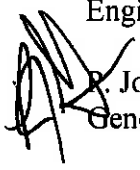
**Inland Empire Utilities Agency**  
**A MUNICIPAL WATER DISTRICT**


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Date: July 15, 2015

To: The Honorable Board of Directors

Through: Engineering, Operations & Biosolids Committee (07/08/15)

From:  P. Joseph Grindstaff  
General Manager

Submitted by: Chris Berch   
Executive Manager of Engineering/Assistant General Manager

for Sylvie Lee   
Manager of Planning and Environmental Resources

Subject: Wastewater Facilities Master Plan

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**RECOMMENDATION**

It is recommended that the Board of Directors concur with the findings of the Wastewater Facilities Master Plan.

**BACKGROUND**

The purpose of the Wastewater Facilities Master Plan (WFMP) was to update the previous WFMP prepared in 2002 and updated in 2007 where the ultimate influent flow was estimated at 202 million gallons per day (mgd) and 110 mgd, respectively. Due to changes in economic conditions, water use efficiency practices, discharge permit requirements, and population growth projections, the influent wastewater flow and loading assumptions were re-evaluated to determine future facilities expansion needs. Based on the growth projections in the service area as identified in the Integrated Resources Plan (IRP), the revised ultimate influent flow was projected to be 88 mgd. Although the new influent flow was much less than previously reported, the wastewater strength had increased since 2002. In addition, the WFMP analyzed flow diversion alternatives in order to maximize recycled water supply in correlation with the Recycled Water Program Strategy program.

The planning period of the WFMP was for year 2035 and the ultimate year 2060. Capital projects were developed based on the expansion needs for each RWRP for the next 20 years. Table 1 identified the major capital projects required to meet projected capacities.

Table 1 – Major Capital Projects for next 20 Years

Project	Purpose	Estimated Cost (\$million)
Whispering Lakes Pump Station Expansion	Increase pumping capacity for future wastewater flows to RP-1	\$6.1
RP-1 Solids Treatment Expansion	Increase solids treatment capacity for existing and future flows	\$24.9
RP-1 Liquid Treatment Expansion and Primary Effluent Equalization Elimination	Increase liquid treatment capacity for future flows; eliminate primary flow equalization for other uses	\$122.4
RP-4 Liquid Treatment Expansion	Increase liquid treatment capacity for future flows	\$6.6
RP-5 Solids Handling Facilities	Relocate RP-2 solids handling to RP-5; increase solids treatment capacity for existing and future flows; demolish RP-2 facilities	\$157.3
RP-5 Liquid Treatment Expansion	Increase liquid treatment capacity for future flows	\$125.5
Montclair Interceptor Upgrades	Upsize four segments to mitigate deficiencies	\$25.4

Preliminary design efforts for the expansion of RP-1 and RP-5 will begin in FY 2015/16 to identify treatment options consistent with the ultimate facility layouts provided within the WWFMP.

The WWFMP will be reevaluated once every ten years, or as major changes are identified. A Programmatic Environmental Impact Report (PEIR) will be prepared for the ultimate conditions provided in the WWFMP, along with the remainder of the Agency’s planning documents such as the Recycled Water Program Strategy, Energy Management Plan and the Integrated Resources Plan. When the PEIR is adopted for the Agency’s planning documents, staff will bring this WWFMP forward for the Board to formally adopt.

Development of the Wastewater Facilities Master Plan is consistent with the IEUA business goal of *Wastewater Management* where systems and facilities will be maintained to meet essential service demands and to protect public health and the environment.

**PRIOR BOARD ACTION**

On September 18, 2013, the IEUA Board of Directors awarded a Professional Engineering Services Master Contract for the Wastewater Facilities Master Plan to CH2M Hill.



**IMPACT ON BUDGET**

There is no impact on budget.

Attachments:

- Attachment A: CIP Forecast through 2035
- Wastewater Facilities Master Plan document can be found at:  
<http://www.ieua.org/category/reports/other-reports/>



# Wastewater Facilities Master Plan (WFMP)



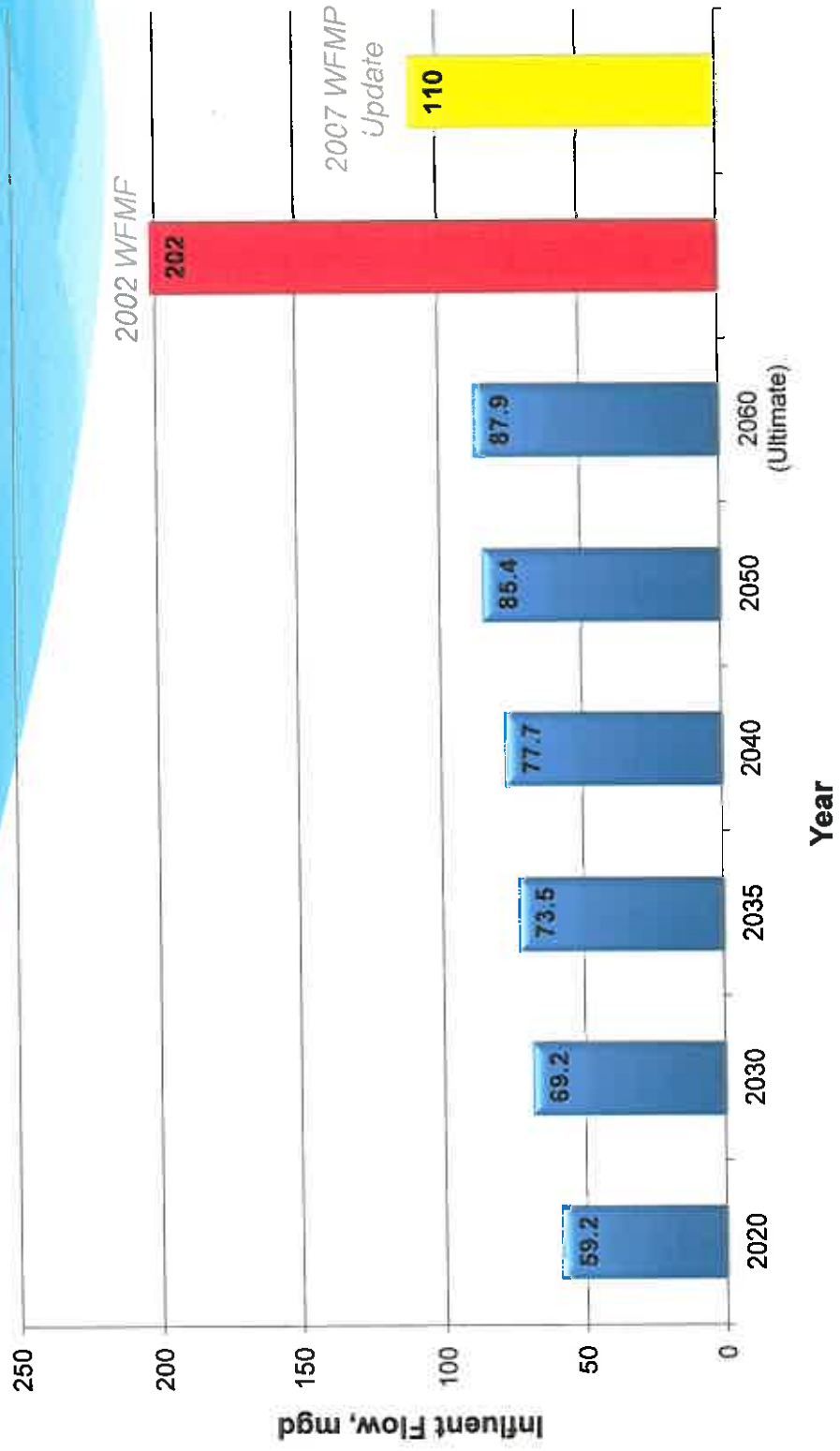
**Inland Empire Utilities Agency**  
A MUNICIPAL WATER DISTRICT

June 2015

# WFMP Overview

- Update 2002 WFMP
- Re-evaluate sewer flow and loading projections
- Analyze Regional Water Recycling Plant (RWRP) capacities
- Develop loading factors in treatment capacity
- Investigate flow diversion alternatives to maximize recycled water supply
- Identify capital improvement project (CIP) needs

# Projected Influent Flows



# WFMP Results

- Major capital projects to meet future influent flow
- RP-1 solids and liquids treatment expansions - \$147 M
- RP-5 solids and liquids treatment expansions - \$283 M
- RP-4 liquid treatment expansion - \$7 M
- Montclair Interceptor pipeline upsizing - \$25 M
- Whispering Lakes Pump Station expansion - \$6 M



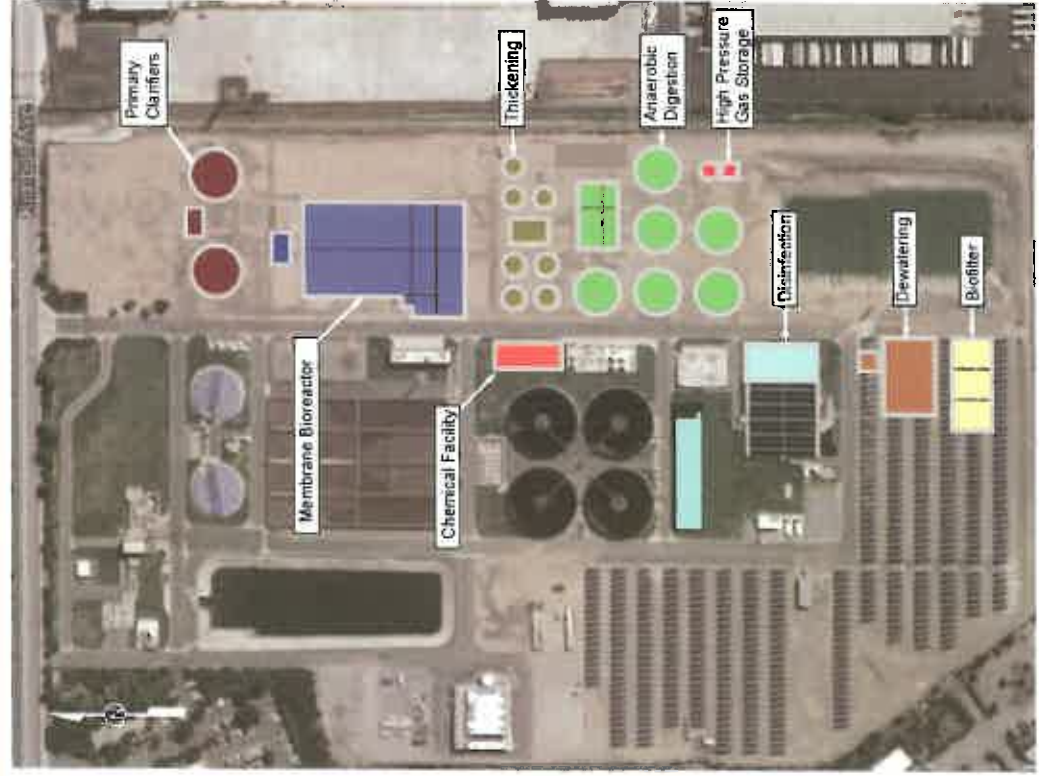
# RP-1 Ultimate Site



	Size
Primary	---
Secondary Treatment (MBR)	1 module (TIN = 8 mg/L) 2 modules (TIN = 5 mg/L)
New Secondary Clarifiers	2 x 120 ft & 1 x 130 ft
Digesters	2 x 110 ft
Recycled Treatment	20,000 sf
AWT	60,000 sf



# RP-5 Ultimate Site



Solids Handling	Size
Gravity Thickener	45' Diam
DAFT	40' Diam
Digesters	5 x 90 ft
High Pressure Gas Storage	35' Diam
Dewatering	100' x 150'
Biofilter	60' x 80'

# WFMP Next Steps

- Implement TYCIP projects
- RP-1 & RP-5 Expansion Pre-Design FY 15/16
- RP-5 Solids Treatment Facility FY 16/17
- RP-5 Liquid Treatment Expansion FY 17/18
- Whispering Lakes PS Improvements FY 22/23
- RP-1 Treatment Expansion FY 23/24
- Complete Programmatic EIR Summer 2016

*This project meets the Agency's Business Goal of Wastewater Management by maintaining systems and facilities to meet essential service demands and to protect public health and the environment.*

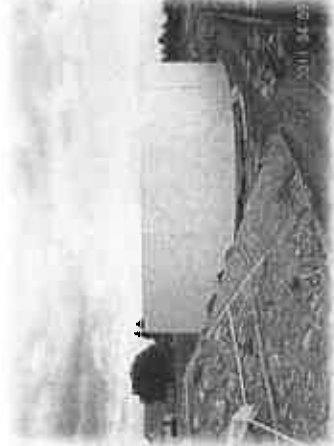
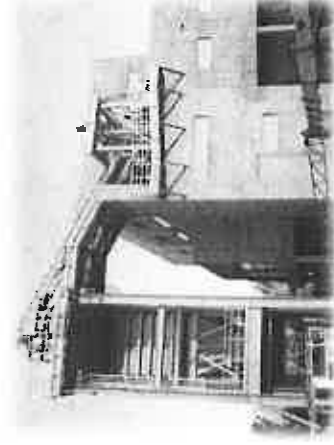
**INFORMATION  
ITEM**

**4B**



# Engineering and Construction Management Project Updates

July 2015



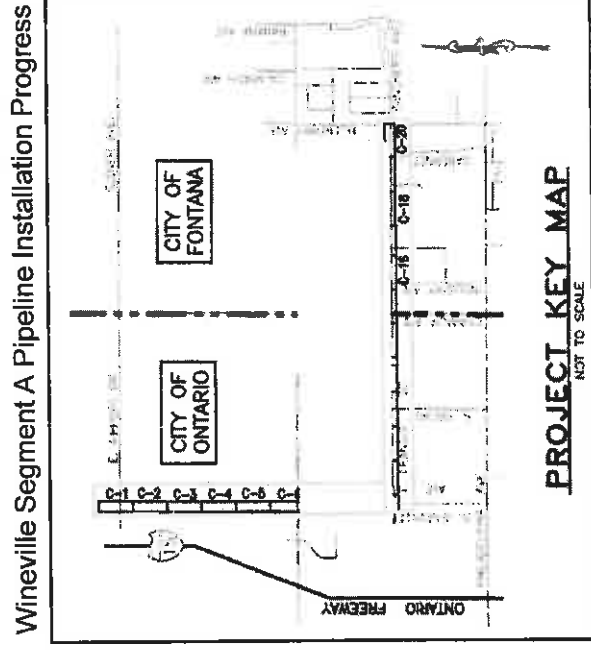
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David Mendez,  
Acting Deputy Manager of Engineering

John Scherck,  
Acting Deputy Manager of Construction Management

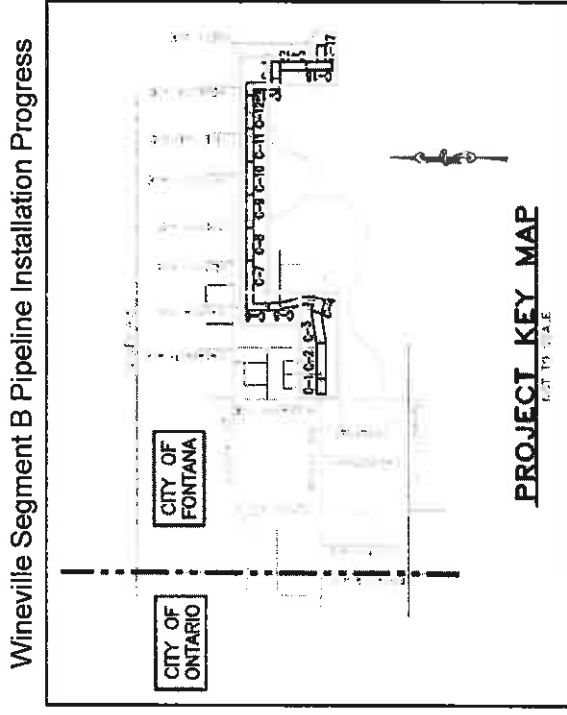
# EN06025 – Wineville Recycled Water Pipeline Extension Segment A

- Contractor: CCL Contracting, Inc.
- Current Contract: \$10.4 M
- Total Project Budget: \$18.0 M
- Scope of Work: Construct 2.6 miles of 36-in RW Pipeline and 1.0 mile of 24-in RW Pipeline
- Current Activities:
  - ~ 2.6 miles of 36" pipe installed (approx. 13,500-ft)
  - ~ 1.0 miles of 24" pipe installed (approx. 5,400-ft)
  - Hydrostatic testing complete
- Contract Completion: July 2015
- Percent Complete: 100%
- Focus Points:
  - Project closeout administrative activities



# EN13045 – Wineville Recycled Water Pipeline Extension Segment B

- Contractor: Mike Bubalo Construction
- Current Contract Value: \$8.3 M (with VE)
- Total Project Budget: \$11.9 M
- Scope of Work: Construct 2.6 miles of RW Pipeline (VE Alignment Total)
- Current Activities:
  - Flow control structure and splitter box
  - ~2.3 miles of 36" pipe installed (approx. 12,000-ft)
  - ~0.3 miles of 16" PVC pipe installed (approx. 1,300-ft)
- Contract Completion: July 2015
- Percent Complete: 95%
- Focus Points:
  - Awaiting delivery of control panel and sluice gate



# EN09021 – RP-4 Headworks Retrofits

- Contractor: J.R. Filanc Construction
- Current Contract: \$1,176,000
- Total Project Budget: \$2.9 M
- Scope of Work: Install new JWCE fine screens, washer/compactor and fiberglass reinforced plastic headworks building
- Current Activities:
  - Odor control air balancing, fall protection railing submittal review
  - Paving
- Contract Completion: July 2015
- Percent Complete: 97%
- Focus Point:
  - Washer/Compactor startup and acceptance

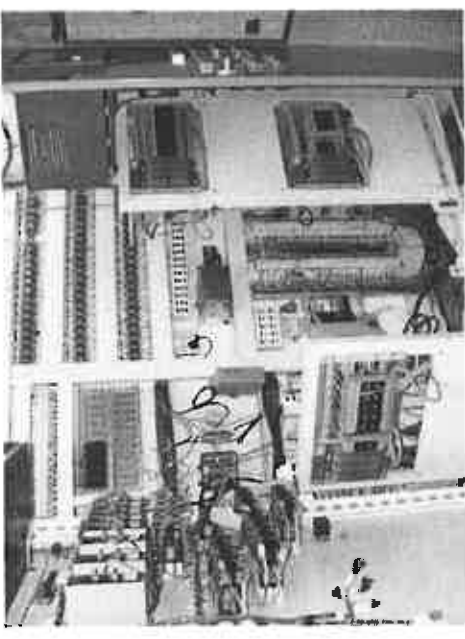
Paving roadways at new head works building



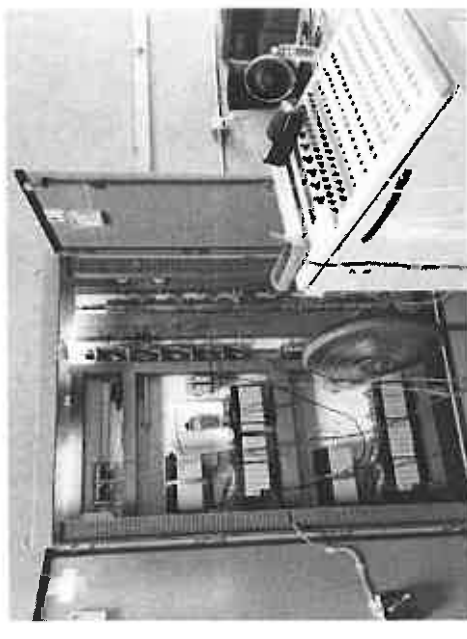
# EN13016 – SCADA Enterprise System CCWRF

- Contractor: Technical Systems, Inc.
- Current Contract: \$2,499,275
- Total Project Budget: \$5.2 M
- Scope of Work: Migration of existing control system to modern SCADA system at CCWRF
- Current Activities:
  - Successful completion of first Factory Acceptance Test
  - Submittals for panel shop drawings and wiring diagrams
  - Workshops: Process control, reporting, operator screens
  - Electrical preparation for servers and control room
- Contract Completion: December 2015
- Percent Complete: 35%
- Focus Point:
  - Submittal approvals for fabrication of remaining panels
  - Operator screens and configuration of reporting system

Existing Aeration Building LCP-03-01



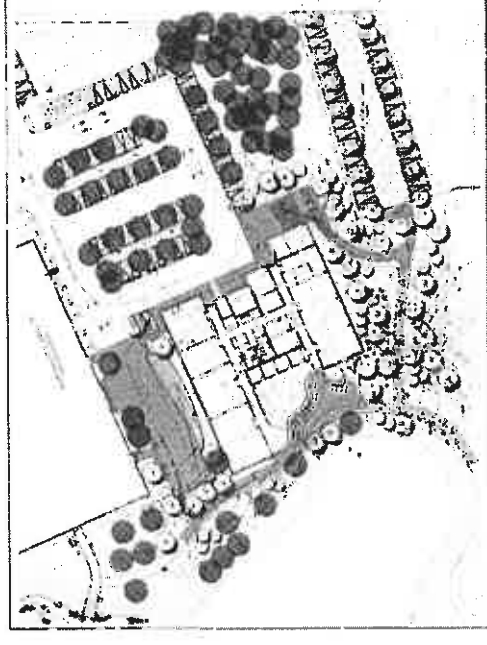
Factory Acceptance Simulation



# EN15008 - New Water Quality Laboratory Project

- Engineering Consultant: Austin Company
- Current Contract: \$1.3 M
- Total Project Budget: \$21 M
- Scope of Work: Consultant Engineering Services for New Water Quality Laboratory and Central Chiller Plant Expansion
- Current Activities:
  - Update 50% Lab Design
  - Preliminary Design Central Plant
- Focus Point:
  - Complete geotechnical and survey investigations
  - Confirm existing system as-built conditions

Project Site Plan



# EN15026 - Emergency Work

## RP-1 42-Inch Primary Effluent Pipe Repair

- LEVEL THREE EMERGENCY-
  - Estimated Cost: \$140,000
  - Scope of Work:
    - Excavate, expose and repair/replace a portion of the existing 42" pipeline
    - Remove and Replace existing landscaping and vegetation in coordination with IEUA Landscape Coordinator
- Focus Point:
  - Complete Work within 30 days of award

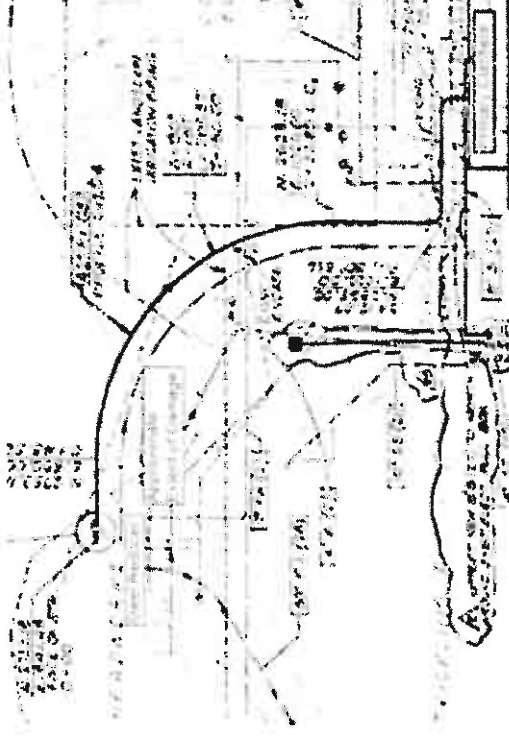


Figure 1. Location of Pipe Damage

# Project Cost & Schedule

## RP-1 42-Inch Primary Effluent Pipe Repair

Description	Estimated Cost
Estimated Emergency Construction Cost Not To Exceed (NTE)	\$130,000
Construction Management (IEUA Labor and Augmentation)	\$10,000
<b>Total Estimated Project Cost</b>	<b>\$140,000</b>


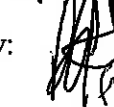

Project Milestone	Date
Construction Contract Award	June 30, 2015
Construction Completion	July 24, 2015



**INFORMATION  
ITEM**

**4C**



Date: July 21, 2015  
To: The Honorable Board of Directors  
Through: Finance, Legal, and Administration Committee (07/08/15)  
From:  P. Joseph Grindstaff  
General Manager  
Submitted by:  Christina Valencia  
Chief Financial Officer/ Assistant General Manager  
 Javier Chagoyen-Lazaro  
Manager of Finance and Accounting  
Subject: Treasurer's Report of Financial Affairs

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### RECOMMENDATION

This is an information item for the Board of Directors to receive and file.

### BACKGROUND

The Treasurer's Report of Financial Affairs for the month ended May 31, 2015, is submitted in a format consistent with State requirements.

Total cash, investments, and restricted deposits of \$130,210,669, reflect a decrease of \$6,154,776 compared to the total reported for April 2015. The decrease was mainly due to construction costs incurred for the Wineville Recycled Water project and debt service payment for the 2008A Revenue Series Bond. As a result, the average days of cash on hand for the month ended May 31, 2015 decreased to 147 days from 159. Average days of cash on hand is calculated using the monthly ending balance of unrestricted cash and cash equivalents divided by disbursements associated with operating expenses, debt service, and capital expenditures as recorded in the Agency's cash flow. New connection fees collected and held by member agencies is excluded from the calculation.

The Agency's investment portfolio average rate of return in May 2015 was 0.503%, an increase of 0.014% compared to the average yield of 0.489% reported in April 2015. The increase is attributed to the slight increase in LAIF yield.

The Agency's investment portfolio average rate of return in May 2015 was 0.503%, an increase of 0.014% compared to the average yield of 0.489% reported in April 2015. The increase is attributed to the slight increase in LAIF yield.

The Financial Affairs report is consistent with the Agency's Business Goal of Fiscal Responsibility in providing financial reporting that accounts for cash and investment activities to fund operating requirements and to optimize investment earnings.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

The interest earned on the Agency's investment portfolio increases the Agency's reserves.

Attachment: May 2015 Treasurer's Report of Financial Affairs



*Inland Empire Utilities Agency*  
A MUNICIPAL WATER DISTRICT

# **Treasurer's Report of Financial Affairs for May 31, 2015**

**July 2015**

**Board Meeting**

# Report of Financial Affairs

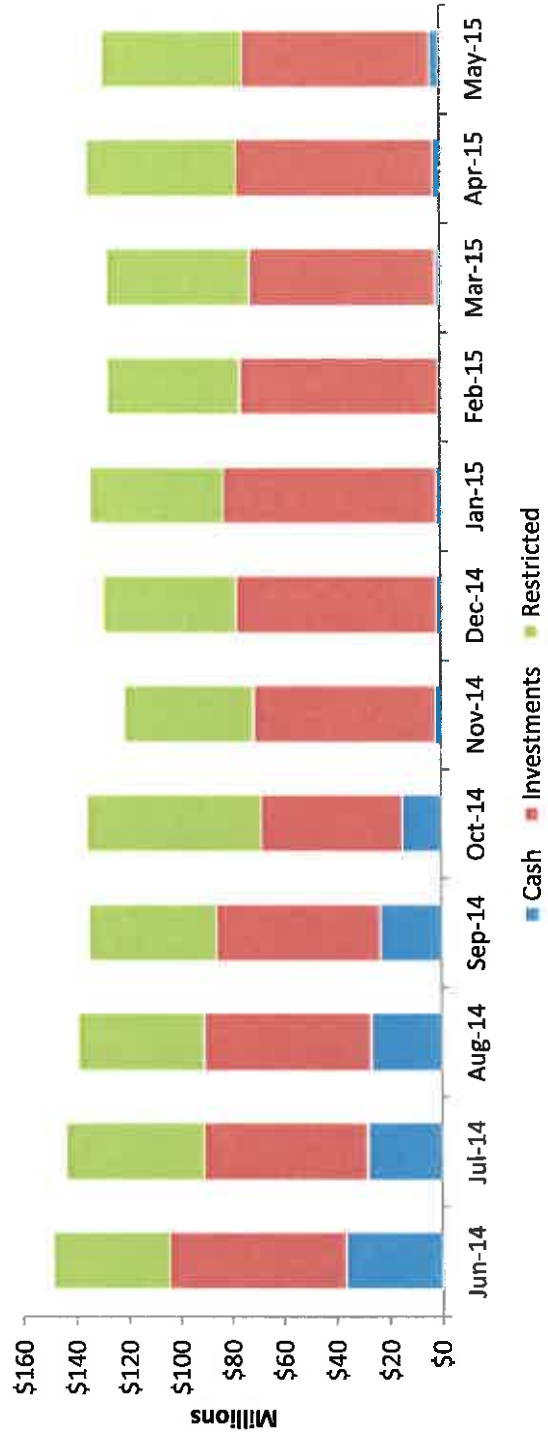
## Liquidity

Description	May 2015	April 2015	Increase (Decrease)
Cash, Investments, Restricted Deposits	\$130.2M	\$136.4M	(\$6.2M)
Investment Portfolio Yield	0.503%	0.489%	0.014%
Average Days Cash on Hand	147 Days	159 Days	(12 Days)

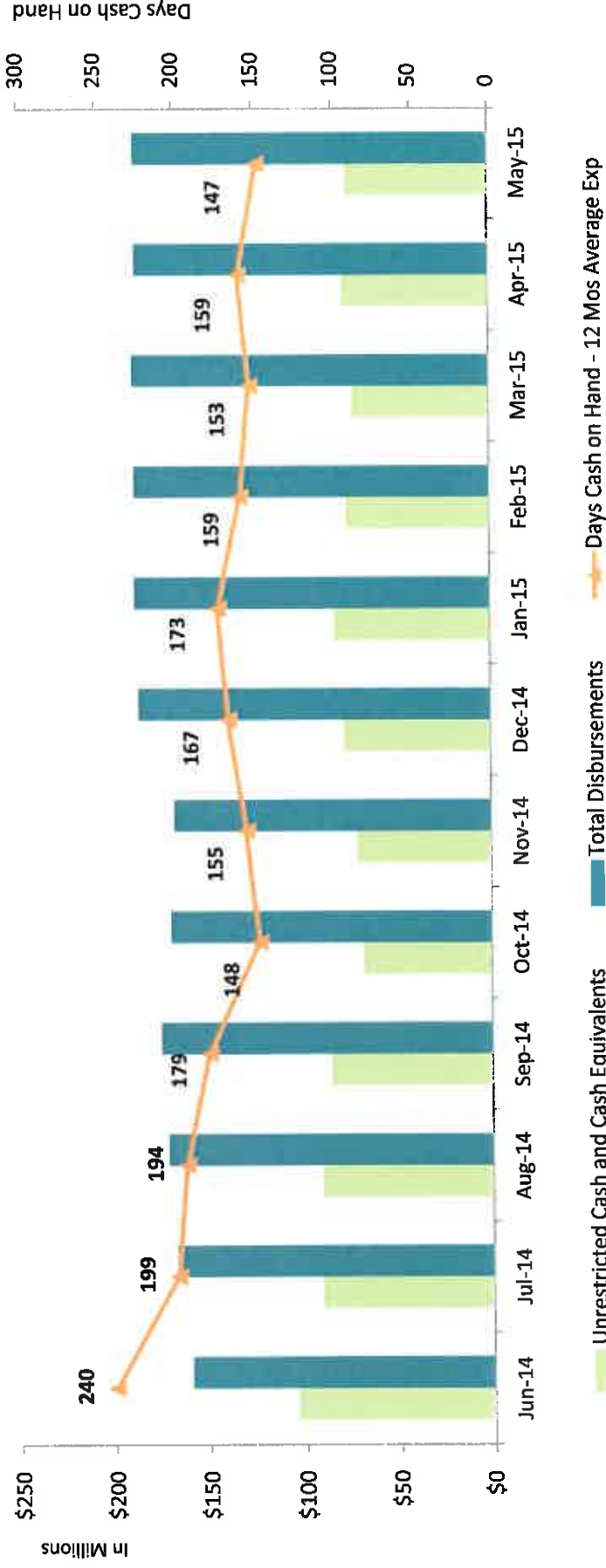
## Portfolio

Description	Allowable Threshold	Investment Value (\$ million)	Yield	Current Portfolio %
<b>Short Term, Under 1 Year:</b>				
LAIF	\$50M	\$24.8	0.29%	34%
CalTrust	\$20M	\$3.5	0.45%	5%
Citizens Business –Sweep	40%	\$23.3	0.25%	32%
CBB – Certificate of Deposit	20%	\$4.2	0.45%	6%
Bank of the West – MMA	20%	\$1.1	0.18%	1%
State and Local Municipal Bonds	9%	\$1.0	1.35%	1%
Medium Term Notes	20%	\$2.0	0.95%	3%
CBB Checking	40%	\$0.6	0.25%	0%
<b>1 to 3 Years:</b>				
Medium Term Notes	20%	\$2.0	1.09%	3%
US Treasury Note	n/a	\$1.0	0.64%	1%
US Government Securities	n/a	\$4.0	1.21%	6%
<b>Over 3 Years:</b>				
US Government Securities	n/a	\$6.0	1.57%	8%

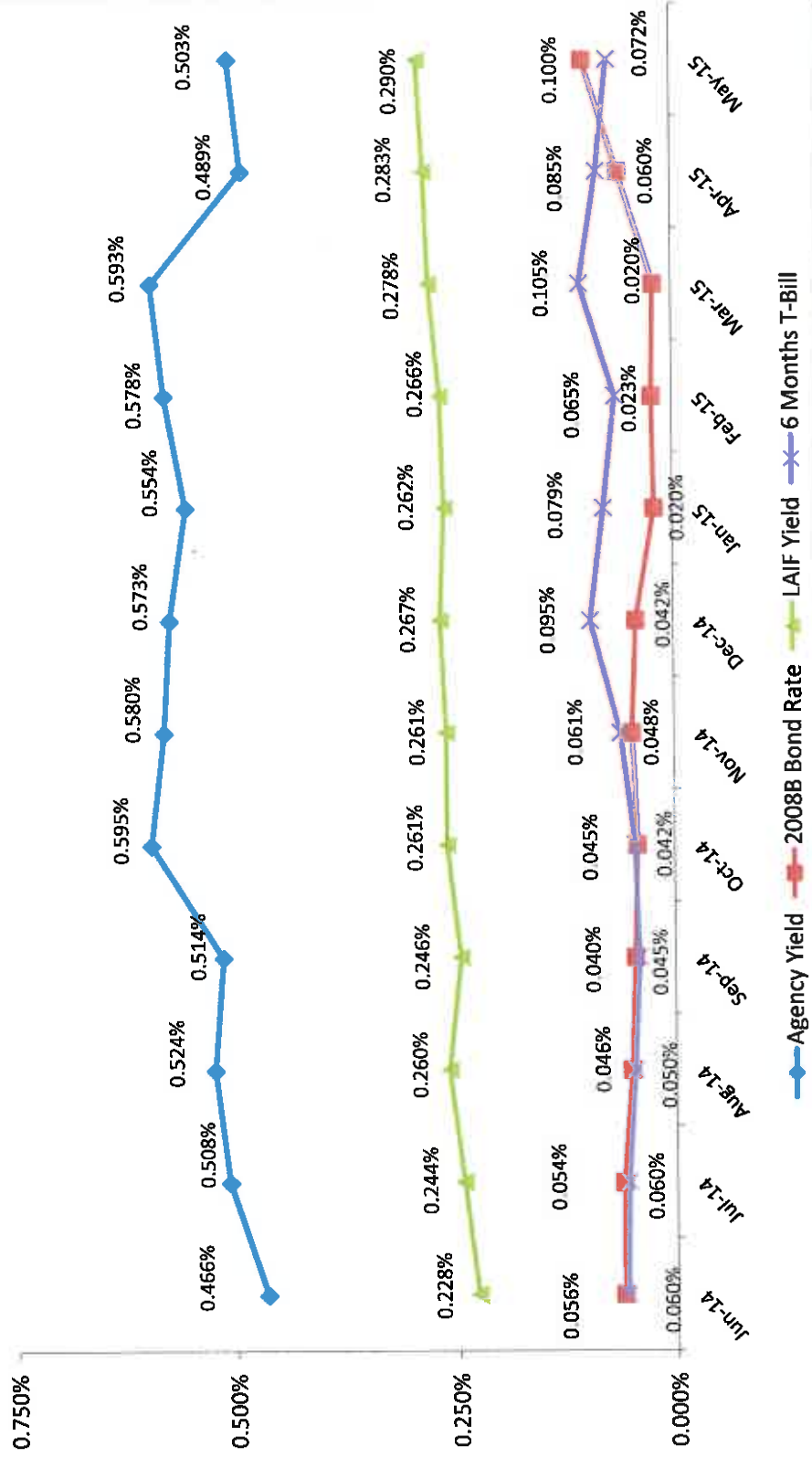
# Cash, Investments and Restricted Deposits



# Day Cash On Hand 12 Months Rolling Average



# Month End Portfolio Yield Comparison

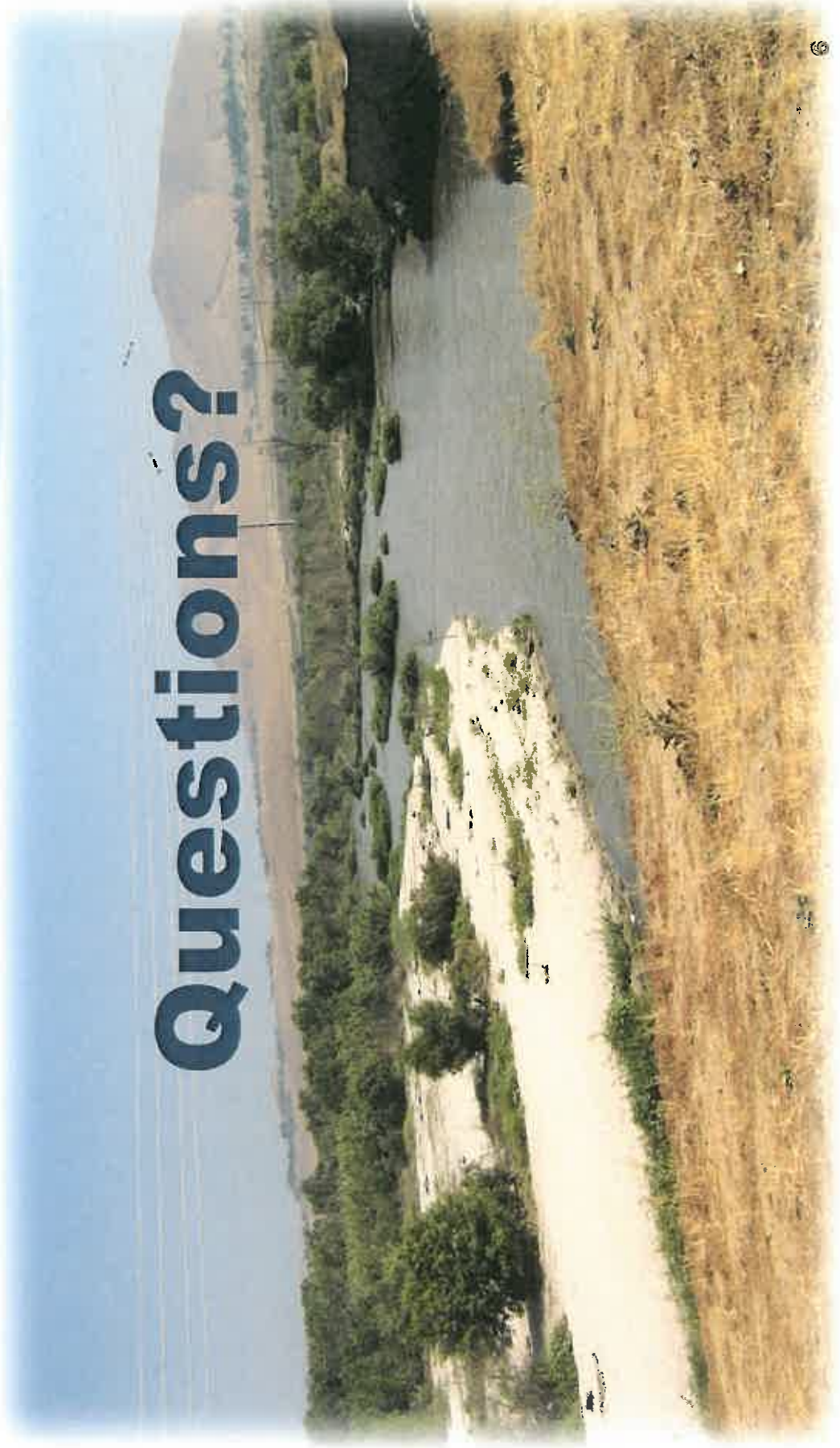






**Inland Empire Utilities Agency**  
A MUNICIPAL WATER DISTRICT

# Questions?



# TREASURER'S REPORT OF FINANCIAL AFFAIRS

For the Month Ended May 31, 2015



*Inland Empire Utilities Agency*

A MUNICIPAL WATER DISTRICT

All investment transactions have been executed in accordance with the criteria stated in the Agency's Investment Policy (Resolution No. 2015-6-3) adopted by the Inland Empire Utilities Agency's Board of Directors during its regular meeting held on June 17, 2015.

The funds anticipated to be available during the next six-month period are expected to be sufficient to meet all foreseen expenditures during the period.

\* A Municipal Water District

**INLAND EMPIRE UTILITIES AGENCY**  
**Cash and Investment Summary**

Month Ended  
 May 31, 2015

	<b>May</b>	<b>April</b>
<b><u>Cash, Bank Deposits, and Bank Investment Accounts</u></b>	<b>\$3,935,479</b>	<b>\$2,408,862</b>
<b><u>Investments</u></b>		
CBB Repurchase (Sweep)	\$23,267,177	\$27,502,544
Local Agency Investment Fund (LAIF)	24,835,685	24,835,685
CalTrust	3,541,597	3,540,323
Certificates of Deposit	4,172,210	4,172,210
Municipal Bonds	1,010,666	1,012,813
Medium Term Notes	4,001,998	4,002,036
U.S. Treasury Notes	999,722	999,707
U.S. Government Sponsored Entities	9,998,803	9,579,384
<b>Total Investments</b>	<b>\$71,827,858</b>	<b>\$75,644,702</b>
<b>Total Cash and Investments Available to the Agency</b>	<b>\$75,763,337</b>	<b>\$78,053,564</b>
<b><u>Restricted Deposits</u></b>		
Debt Service Accounts	\$2,544,713	\$5,669,713
CCRA Deposits Held by Member Agencies	43,234,594	42,184,762
OPEB (CERBT) Account	7,225,119	7,174,218
Escrow Deposits	1,442,906	3,283,188
<b>Total Restricted Deposits</b>	<b>\$54,447,332</b>	<b>\$58,311,881</b>
<b>Total Cash, Investments, and Restricted Deposits</b>	<b>\$130,210,669</b>	<b>\$136,365,445</b>

**INLAND EMPIRE UTILITIES AGENCY**  
**Cash and Investment Summary**

Month Ended  
 May 31, 2015

**Cash, Bank Deposits, and Bank Investment Accounts**

Citizens Business Bank Demand Account (Offset by CBB Sweep Balance)	\$624,906
Citizens Business Bank Workers' Compensation Account	48,225
Bank of America Payroll Account	40,248
Bank of America Payroll Taxes Account	336,866
Subtotal Demand Deposits	<u>\$1,050,245</u>

**Other Cash and Bank Accounts**

Petty Cash	\$2,250
Subtotal Other Cash	<u>\$2,250</u>

**Bank of the West Money Market Account**

\$1,050,964

**US Bank Pre-Investment Money Market Account**

\$1,832,020

\$3,935,479

***Total Cash and Bank Accounts***

**Investments**

**CBB Repurchase (Sweep) Investments**

Fannie Mae Bond	\$19,228,304
Federal Home Loan	1,305,187
SBAP 2011-20L (School Based Access Program)	2,733,686
Subtotal CBB Repurchase (Sweep)	<u>\$23,267,177</u>

**Local Agency Investment Fund (LAIF)**

LAIF Non-Restricted Fund	\$18,921,810
LAIF Insurance Sinking Fund	5,913,875
Subtotal Local Agency Investment Fund	<u>\$24,835,685</u>

**CalTrust**

Short Term	\$3,541,597
Subtotal CalTrust	<u>\$3,541,597</u>

**Certificates of Deposit**

Citizens Business Bank	\$4,172,210
Subtotal Certificates of Deposit	<u>\$4,172,210</u>

**INLAND EMPIRE UTILITIES AGENCY**  
**Cash and Investment Summary**

*Month Ended*  
 May 31, 2015

**Investments Continued**

**Municipal Bonds**

State and Local Municipal Bonds  
 Subtotal State Municipal Bonds

\$1,010,666  
\$1,010,666

**Medium Term Notes**

Toyota Motor Corporation  
 General Electric Capital Corporation  
 JP Morgan Securities  
 John Deere Capital Corp  
 Subtotal Medium Term Notes

\$1,000,313  
 999,345  
 1,000,372  
 1,001,968  
\$4,001,998

**U.S. Treasury Notes**

Treasury Note  
 Subtotal U.S. Treasury Notes

\$999,722  
\$999,722

**U.S. Government Sponsored Entities**

Fannie Mae Bonds  
 Freddie Mac Bonds  
 Federal Home Loan Bank Bonds  
 Subtotal U.S. Government Sponsored Entities

\$6,999,273  
 1,000,000  
 1,999,530  
\$9,998,803

**Total Investments**

\$71,827,858

**Restricted Deposits**

**Debt Service Reserves**

08B Debt Service Accounts  
 10A Debt Service Accounts  
 Subtotal Debt Service Reserves

\$2,544,710  
 3  
\$2,544,713

**INLAND EMPIRE UTILITIES AGENCY**  
**Cash and Investment Summary**

*Month Ended*  
 May 31, 2015

**CCRA Deposits Held by Member Agencies**

City of Chino	\$11,718,903
Cucamonga Valley Water District	7,688,728
City of Fontana	6,813,860
City of Montclair	2,559,335
City of Ontario	8,378,538
City of Chino Hills	3,021,250
City of Upland	3,053,980
Subtotal CCRA Deposits Held by Member Agencies	<u>\$43,234,594</u>

**CalPERS**

OPEB (CERBT) Account	\$7,225,119
Subtotal CalPERS Accounts	<u>\$7,225,119</u>

**Escrow Deposits**

Chicago Title (Forestar/IEUA Holding Escrow)	\$1,254,993
Scott Valley Bank (GSE Construction)	163,815
Alta Pacific Bank (Genesis Construction)	24,098
Subtotal Escrow Deposits	<u>\$1,442,906</u>

**Total Restricted Deposits**

\$54,447,332

**Total Cash, Investments, and Restricted Deposits as of May 31, 2015**

**\$130,210,669**

Total Cash, Investments, and Restricted Deposits as of 5/31/15  
 Less: Total Cash, Investments, and Restricted Deposits as of 4/30/15

\$130,210,669  
 136,365,445

**Total Monthly Increase (Decrease)**

(\$6,154,776)

**INLAND EMPIRE UTILITIES AGENCY**  
**Cash and Investment Summary**

Month Ended  
 May 31, 2015

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost-Basis Amount	Term (Days)	May Amortization	May Value	% Coupon	% Yield to Maturity	Maturity Date	Market Value
	S&P	Moody's	S&P	Moody's									
<b>Cash, Bank Deposits, and Bank Investment Accounts</b>													
<b>Citizens Business Bank</b>													
Demand Account*					\$624,906	\$624,906	N/A	N/A	\$624,906		0.25%	N/A	\$624,906
Subtotal CBB					\$624,906	\$624,906			\$624,906		0.25%		\$624,906
<b>Workers' Compensation Account</b>													
Subtotal CBB					\$48,225	\$48,225	N/A	N/A	\$48,225		N/A	N/A	\$48,225
<b>Bank of America</b>													
Payroll Checking					\$40,248	\$40,248	N/A	N/A	\$40,248		N/A	N/A	\$40,248
Payroll Tax Checking					336,866	336,866	N/A	N/A	336,866		N/A	N/A	336,866
Subtotal B of A					\$377,114	\$377,114			\$377,114		N/A		\$377,114
<b>Bank of the West</b>													
Money Market Plus - Business Account					\$1,050,964	\$1,050,964	N/A	N/A	\$1,050,964		0.18%	N/A	\$1,050,964
Subtotal Bank of the West					\$1,050,964	\$1,050,964			\$1,050,964		0.18%		\$1,050,964
<b>US Bank</b>													
Federated Automated MMA					\$1,832,020	\$1,832,020	N/A	N/A	\$1,832,020		0.01%	N/A	\$1,832,020
Subtotal USB Money Market					\$1,832,020	\$1,832,020			\$1,832,020		0.01%		\$1,832,020
<b>Petty Cash</b>					\$2,250	\$2,250	N/A	N/A	\$2,250		N/A	N/A	\$2,250
<b>Total Cash, Bank Deposits and Bank Investment Accounts</b>					<b>\$3,935,479</b>	<b>\$3,935,479</b>			<b>\$3,935,479</b>				<b>\$3,935,479</b>
<i>*Negative demand checking balance is offset by the Daily Repurchase (Sweep) Account balance</i>													
<b>Investments</b>													
<b>CBB Daily Repurchase (Sweep) Accounts</b>													
Fannie Mae Bond					\$19,228,304	\$19,228,304	N/A	N/A	\$19,228,304		0.25%	N/A	\$19,228,304
Federal Home Loan					1,305,187	1,305,187	N/A	N/A	1,305,187		0.25%	N/A	1,305,187
SBAP 2011-20L (School Based Access Program)					2,733,686	2,733,686	N/A	N/A	2,733,686		0.25%	N/A	2,733,686
Subtotal CBB Repurchase Accounts					\$23,267,177	\$23,267,177			\$23,267,177		0.25%		\$23,267,177
<b>LAIF Accounts</b>													
Non-Restricted Funds					\$18,921,810	\$18,921,810	N/A	N/A	\$18,921,810		0.290%	N/A	\$18,921,810
LAIF Sinking Fund					5,913,875	5,913,875	N/A	N/A	5,913,875		0.290%	N/A	5,913,875
Subtotal LAIF Accounts					\$24,835,685	\$24,835,685			\$24,835,685		0.290%		\$24,835,685
<b>CAL TRUST Accounts</b>													
Short-Term					\$3,541,597	\$3,541,597	N/A	N/A	\$3,541,597		0.45%	N/A	\$3,541,597
Subtotal CalTrust Accounts					\$3,541,597	\$3,541,597			\$3,541,597		0.45%		\$3,541,597
<b>Certificates of Deposit</b>													
CBB Certificate of Deposit					\$4,172,210	\$4,172,210	425	N/A	\$4,172,210		0.45%	09/19/15	\$4,172,210
Subtotal Certificate of Deposits					\$4,172,210	\$4,172,210			\$4,172,210		0.45%		\$4,172,210

**INLAND EMPIRE UTILITIES AGENCY**  
**Cash and Investment Summary**

Month Ended  
May 31, 2015

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	May Amortization	May Value	% Coupon	% Yield to Maturity	Maturity Date	Market Value
	S&P	Moody's	S&P	Moody's									
<b>Investments (continued)</b>													
<b>US Treasury Note</b>													
US Treasury Note	N/A	AAA			\$1,000,000	\$999,463		15	\$999,722	0.62%	0.64%	12/15/16	\$1,002,110
Subtotal Treasuries					\$1,000,000	\$999,463		15	\$999,722		0.64%		\$1,002,110
<b>U.S. Government Sponsored Entities</b>													
(As of August 2011, all US GSE's have been downgraded to AA+ Rating by S&P)													
Freddie Mac Bond	AA+	AAA			\$1,000,000	1,080			\$1,000,000	0.75%	0.75%	12/19/16	\$1,000,260
Fannie Mae Bond	AA+	AAA			1,000,000	999,750	1,800	4	999,872	0.75%	1.18%	12/18/17	998,240
Federal Home Loan Bank	AA+	AAA			1,000,000	999,800	1,096	5	999,812	1.00%	1.50%	03/26/18	1,000,510
Federal Home Loan Bank	AA+	AAA			1,000,000	999,700	1,096	8	999,718	1.37%	1.39%	03/26/18	1,000,780
Fannie Mae Bond	N/A	AAA			2,000,000	2,000,000	1,459		2,000,000	1.61%	1.63%	12/28/18	2,014,420
Fannie Mae Bond	AA+	AAA			4,000,000	3,999,400	1,435	17	3,999,401	1.50%	1.50%	05/24/19	3,996,880
Subtotal U.S. Gov't Sponsored Entities					\$10,000,000	\$9,998,650			\$9,998,803		1.408%		\$10,011,090
<b>Municipal Bonds</b>													
California State General Obligation Bond	A-	A1	A+	AA3	1,000,000	1,089,000		(2,147)	1,010,666	3.90%	1.35%	11/01/15	1,013,210
Subtotal State and Local Municipal Bonds					\$1,000,000	\$1,089,000		(\$2,147)	\$1,010,666		1.35%		\$1,013,210
<b>Medium Term Notes</b>													
Toyota Motor Credit Corp	AA-	AA3			1,000,000	1,006,293	946	(206)	1,000,313	0.87%	0.63%	07/17/15	1,000,700
General Electric Floating Rate (75 bp over Libor -1% floor)	AA+	AA2	AA+	A1	1,000,000	988,500	1,265	282	999,345	2.50%	1.26%	08/11/15	1,001,320
JP Morgan Securities	A	A2	A3	A3	1,000,000	1,001,500	1,094	(43)	1,000,372	1.120%	1.07%	02/26/16	1,003,350
John Deere Capital Corp	A	A2			1,000,000	1,004,000	1,754	(71)	1,001,968	1.20%	1.11%	10/10/17	1,002,120
Subtotal Medium Term Notes					\$4,000,000	\$4,000,293		(38)	\$4,001,998		1.02%		\$4,007,490
<b>Total Investments</b>					<b>\$71,816,669</b>	<b>\$71,904,075</b>			<b>\$71,827,858</b>				<b>\$71,850,569</b>

Source of Investment Market Value: US Bank



**INLAND EMPIRE UTILITIES AGENCY**  
**Cash and Investment Summary**

Month Ended  
 May 31, 2015

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	May Amortization	May Value	% Coupon	% Yield to Maturity	Maturity Date	Market Value
	S&P	Moody's	S&P	Moody's									
<b>Restricted Deposits</b>													
<b>Debt Service and Arbitrage Accounts</b>													
<b>08B Debt Service Accounts</b>													
US Bank Debt Serv. Accounts					\$2,544,710	\$2,544,710	N/A	N/A	\$2,544,710		0.00%	N/A	\$2,544,710
Subtotal '08B Debt-Service Accts					\$2,544,710	\$2,544,710			\$2,544,710		0.00%		\$2,544,710
<b>10A Debt Service Accounts</b>													
US Bank Debt Serv. Accounts					\$3	\$3	N/A	N/A	\$3		0.00%	N/A	\$3
Subtotal '10A Debt-Service Accts					\$3	\$3			\$3		0.00%		\$3
<b>Total Debt Service Accounts</b>					<b>\$2,544,713</b>	<b>\$2,544,713</b>			<b>\$2,544,713</b>				<b>\$2,544,713</b>
<b>CCRA Deposits Held by Member Agencies</b>													
City of Chino					\$11,718,903	\$11,718,903	N/A	N/A	\$11,718,903		N/A	N/A	\$11,718,903
Cucamonga Valley Water District					7,688,728	7,688,728	N/A	N/A	7,688,728		N/A	N/A	7,688,728
City of Fontana					6,813,860	6,813,860	N/A	N/A	6,813,860		N/A	N/A	6,813,860
City of Montclair					2,559,335	2,559,335	N/A	N/A	2,559,335		N/A	N/A	2,559,335
City of Ontario					8,378,538	8,378,538	N/A	N/A	8,378,538		N/A	N/A	8,378,538
City of Chino Hills					3,021,250	3,021,250	N/A	N/A	3,021,250		N/A	N/A	3,021,250
City of Upland					3,053,980	3,053,980	N/A	N/A	3,053,980		N/A	N/A	3,053,980
Subtotal CCRA Deposits Held by Member Agencies					\$43,234,594	\$43,234,594			\$43,234,594				\$43,234,594
(Totals as reported through April 30, 2015)													
<b>CalPERS Deposits</b>													
OPER (CERBT) Account					\$7,000,000	\$7,000,000	N/A	N/A	\$7,225,119		N/A	N/A	\$7,225,119
Subtotal CalPERS Deposits					\$7,000,000	\$7,000,000			\$7,225,119				\$7,225,119
<b>Escrow Deposits</b>													
Forestar/IEUA Holding Escrow (RP-1 Outfall)					\$1,254,993	\$1,254,993	N/A	N/A	\$1,254,993		N/A	N/A	\$1,254,993
GSE Construction					163,815	163,815	N/A	N/A	163,815		N/A	N/A	163,815
Genesis Construction					24,098	24,098	N/A	N/A	24,098		N/A	N/A	24,098
Subtotal Escrow Deposits					\$1,442,906	\$1,442,906			\$1,442,906				\$1,442,906
<b>Total Restricted Deposits</b>					<b>\$54,222,213</b>	<b>\$54,222,213</b>			<b>\$54,447,332</b>				<b>\$54,447,332</b>
<b>Total Cash, Investments, and Restricted Deposits as of May 31, 2015</b>													
					<b>\$129,974,361</b>	<b>\$130,061,767</b>			<b>\$130,210,669</b>				<b>\$130,233,380</b>

**INLAND EMPIRE UTILITIES AGENCY**  
**Cash and Investment Summary**

Month Ended  
 May 31, 2015

<b>May Purchases</b>			Investment Security	Par Amount Purchased	Investment Yield
No.	Date	Transaction			
1	05/29/15	Purchased	Fannie Mae	\$ 1,999,600	1.500%
2	05/29/15	Purchased	Fannie Mae	\$ 1,999,800	1.500%
<b>Total Purchases</b>				<b>\$ 3,999,400</b>	

<b>May Investment Maturities, Calls &amp; Sales</b>			Investment Security	Par Amount Matured/Sold	Investment Yield to Maturity
No.	Date	Transaction			
1	05/28/15	Full Call	Federal Home Loan Bank Bond	\$ 1,580,000	1.125%
2	05/28/15	Full Call	Federal Home Loan Bank Bond	2,000,000	0.625%
<b>Total Maturities, Calls &amp; Sales</b>				<b>\$ 3,580,000</b>	

**INLAND EMPIRE UTILITIES AGENCY**  
**Cash and Investment Summary**

Month Ended  
 May 31, 2015

<b>Directed Investment Category</b>	<b>Amount Invested</b>	<b>Yield</b>
CBB Repurchase (Sweep)	\$23,267,177	0.250%
Local Agency Investment Fund	24,835,685	0.290%
CalTrust	3,541,597	0.450%
Medium Term Notes	4,001,998	1.020%
Municipal Bonds	1,010,666	1.350%
US Treasury Notes	999,722	0.640%
U.S. Government Sponsored Entities	9,998,803	1.408%
	<b>\$67,655,648</b>	<b>0.514%</b>
<b>Bank Deposit and Investment Accounts</b>		
Citizens Business Bank - Demand Account	\$624,906	0.250%
Citizens Business Bank - Certificate of Deposit	4,172,210	0.450%
Bank of the West Money Market Account	1,050,964	0.180%
	<b>\$5,848,080</b>	<b>0.380%</b>

**Total Portfolio**

**Investment Portfolio Rate of Return**

**\$73,503,728**  
**0.503%**

**Restricted/Transitory/Other Demand Accounts**

	<b>Amount Invested</b>	<b>Yield</b>
US Bank - 2008B Debt Service Accounts	\$2,544,710	0.000%
US Bank - 2010A Debt Service Accounts	3	0.000%
CCRA Deposits Held by Member Agencies	43,234,594	N/A
Citizens Business Bank - Workers' Compensation Account	48,225	N/A
US Bank - Pre-Investment Money Market Account	1,832,020	0.010%
CalPERS OPEB (CERBT) Account	7,225,119	N/A
Other Accounts*	379,364	N/A

**Total Other Accounts**

**Average Yield of Other Accounts**

**\$55,264,035**  
**0.004%**

**Total Agency Directed Deposits**

**\$128,767,763**

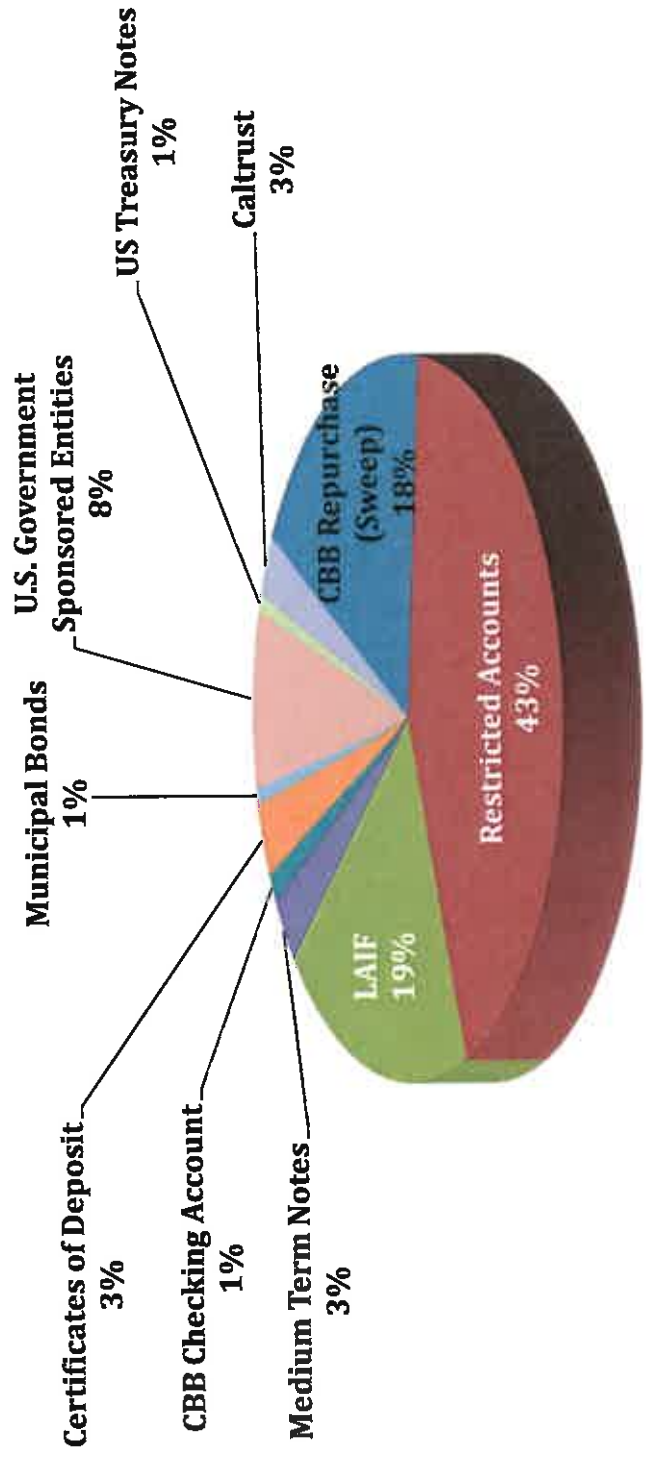
\* Note: Bank of America Payroll Deposits used as compensating balances for bank services.

# ***Inland Empire Utilities Agency***

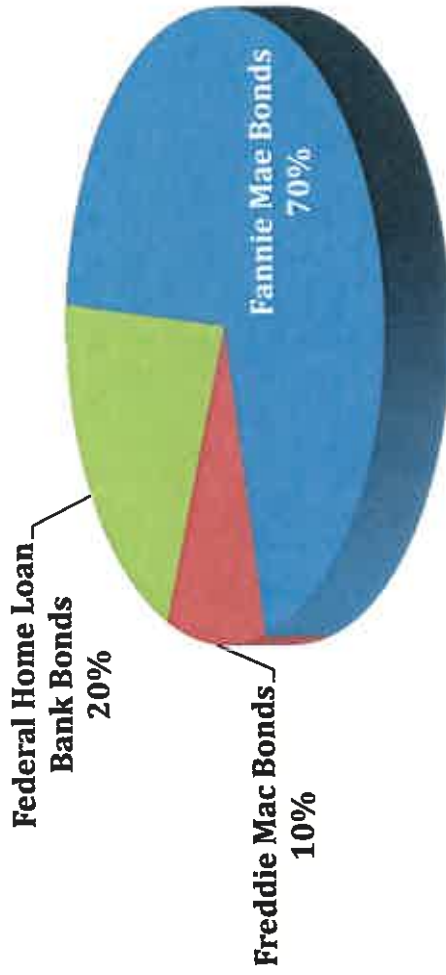
## **Treasurer's Report of Financial Affairs**

**For the Month Ended May 31, 2015**

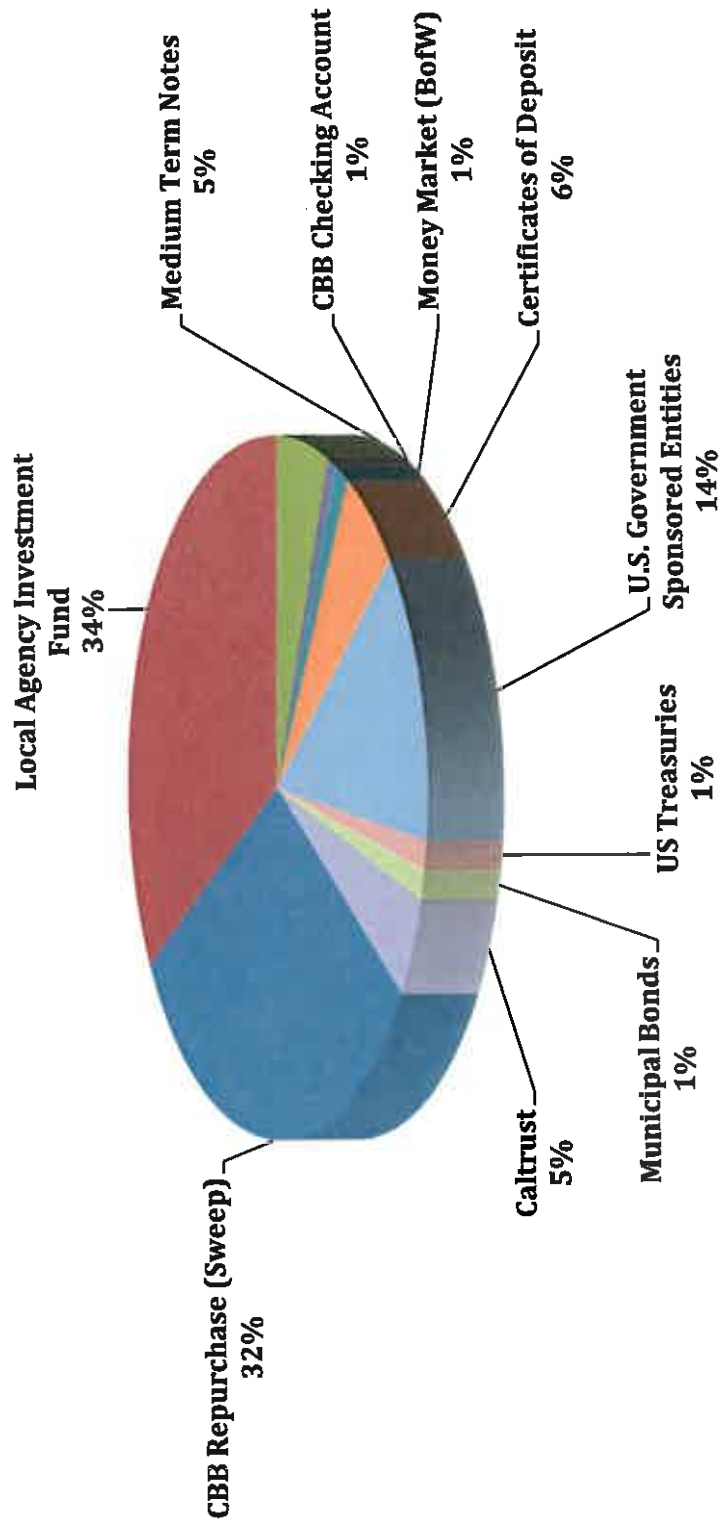
**Combined Agency Portfolio (net of escrow deposits)  
\$128,767,763**



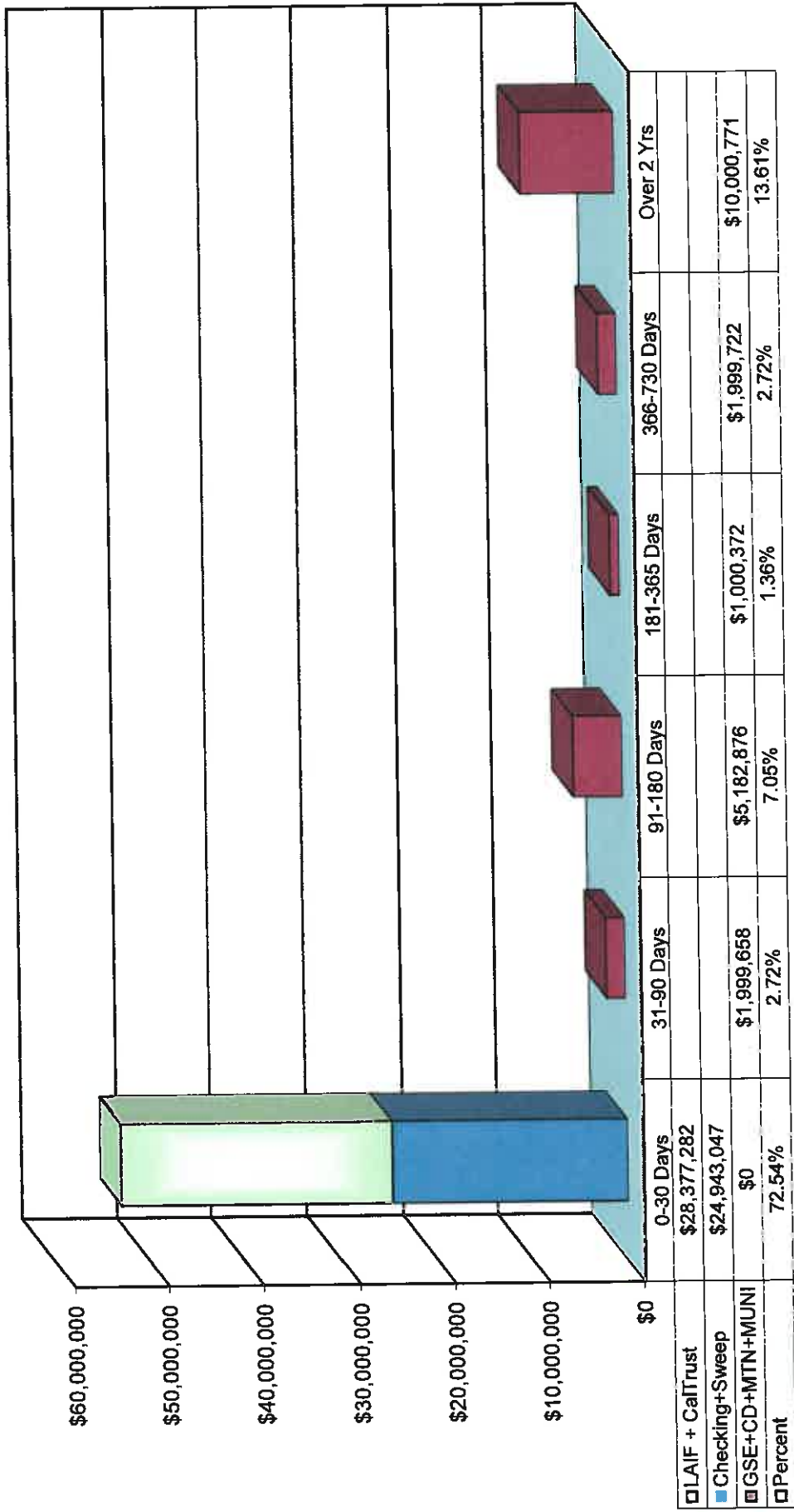
***Inland Empire Utilities Agency***  
**Treasurer's Report of Financial Affairs**  
**For the Month Ended May 31, 2015**  
**U.S. Government Sponsored Entities Portfolio**  
**\$9,998,803**



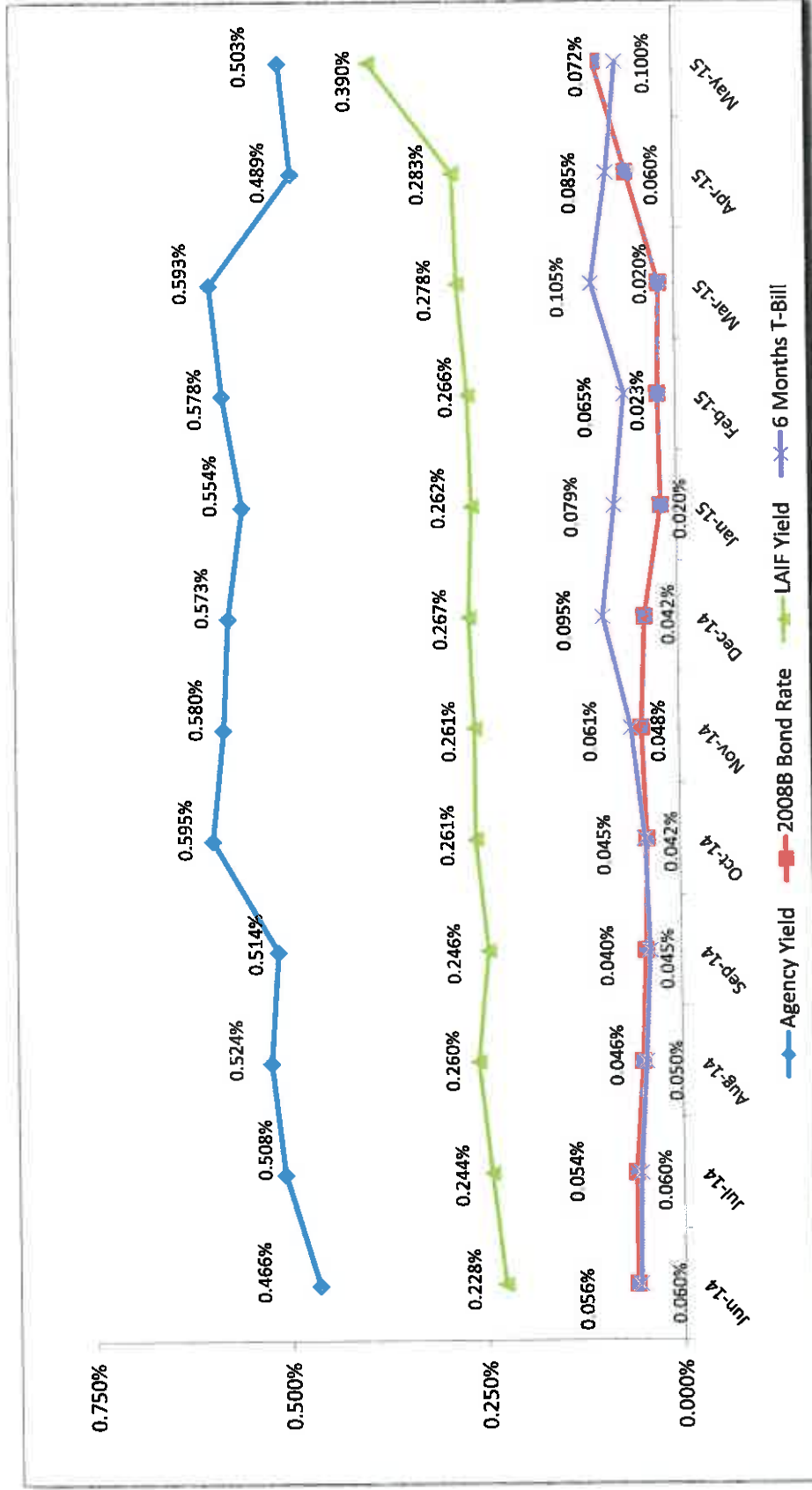
**Inland Empire Utilities Agency**  
**Treasurer's Report of Financial Affairs**  
**For the Month Ended May 31, 2015**  
**Unrestricted Agency Investment Portfolio**  
**\$73,503,728**



**Inland Empire Utilities Agency**  
**Treasurer's Report of Financial Affairs**  
 For the Month Ended May 31, 2015  
**Directed Investment Portfolio Maturity Distribution**  
**\$73,503,728**



**Inland Empire Utilities Agency**  
**Treasurer's Report of Financial Affairs**  
 Demand Deposit Accounts  
 Agency Yield Comparison





**INFORMATION  
ITEM**

**4D**





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Date: July 15, 2015

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (7/08/15)

From:  J. Joseph Grindstaff  
General Manager

Submitted by: Kathy Besser   
Manager of External Affairs

Subject: Public Outreach and Communication

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### **RECOMMENDATION**

This is an informational item for the Board of Directors to receive and file.

### **BACKGROUND**

#### July 2015

- July, Smart Irrigation Month
- July 15, IEUA Annual Employee Appreciation Picnic, Butterfield Park, 17671 Mystic Canyon Drive, Chino Hills, 11:30 a.m. - 3:00 p.m.
- July 21, Drought Task Force Meeting, IEUA Headquarters, 10:00 a.m. - 11:30 a.m.

#### August 2015

- August 21, 9<sup>th</sup> Annual San Bernardino County Water Conference, Cal State San Bernardino (5500 University Pkwy, San Bernardino), 8:00 a.m. - 12:00 p.m.

#### September 2015

- September 23, Chino Day at the LA County Fair, 1101 W. McKinley Avenue, Pomona, 9:00 a.m. - 1:00 p.m.

#### October 2015

- October 17, Landscape and Water Conservation Fair, Chino Basin Water Conservation District, 4594 San Bernardino St., Montclair

### **Outreach/Education - Civic Publications Newspaper Campaign**

- IEUA staff is working with Civic Publications to develop a Summer 2015 water-saving campaign. This campaign will focus on water saving in a drought and will include

display ads, an email blast and print media. All digital media will link to the IEUA micro-site with water-saving tips and rebate information.

#### Media and Outreach

- Staff ran water softener ads in the *Fontana Herald - Fontana Days* and the *Daily Bulletin* in the month of June.
- Staff placed a drought ad in the Miss Fontana 2015 book on June 12.
- Staff has placed a Smart Irrigation Month ad for the Chino Jr. Fair Program on July 4.
- IEUA staff is working with *La Opinion*, *Chino Champion* and *Fontana Herald* to develop campaigns for fiscal year 2015/16.
- IEUA staff is holding the second Drought Task Force meeting with member agencies on July 21 to continue the development of an outreach plan to implement a regional drought alert logo and tagline for consistent drought messaging across the region. Drought Task Force meetings will be held every other month.

#### Education and Outreach Updates

- The Summer Blood Drive held on June 17, 2015 was a successful event. Between the two donation locations, IEUA had 32 employees donate blood.
- Water Discovery Program: 1,837 Girl Scout troop members, elementary and high school students have taken part in the park field trip from September 24, 2014 through June 30, 2015. To date, staff has received three requests for summer field trips.
- IEUA staff is working in cooperation with Chino Basin Water Conservation District and member agency representatives to plan the Landscape Water Conservation Fair held annually in October. Date proposed for the Water Conservation Fair is Saturday, October 17.
- Staff is working with the Water Resources Analyst II and graphic design consultants on creating a tagline to implement using landscape signage, billboards and magnets. Signs have been made available online to members of the community to print and display in their yards.
- IEUA is working with Tripepi Smith & Associates on the creation of a member agency portal on IEUA's website where member agencies will log in to view and download documents. A new wire frame has been developed thus far. IEUA staff is currently working on the content migration phase of the project.
- IEUA is working on updating various facility illustrations and brochures. The educational component for these brochures is being updated in order for visitors and stakeholders to have a simple yet detailed visual of each IEUA facility and process.

#### PRIOR BOARD ACTION

None.

**IMPACT ON BUDGET**

The above-mentioned activities are budgeted in the FY 2015/16 Administrative Service Fund, Public Information Services budget.

**INFORMATION  
ITEM**

**4E**

# *Innovative Federal Strategies* LLC

Comprehensive Government Relations

## MEMORANDUM

**To:** Joe Grindstaff and Kathy Besser, IEUA  
**From:** Letitia White, Jean Denton, and Drew Tatum  
**Date:** June 26, 2015  
**Re:** June Monthly Legislative Update

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## MEMORANDUM

**To:** Dean Martin, Interim City Manager, City of Banning  
**From:** Letitia White, Jean Denton, and Drew Tatum  
**Date:** June 26, 2015  
**Re:** June Monthly Legislative Update

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### *Appropriations Update*

House and Senate appropriators continued their push to complete the twelve annual spending bills this month, but the process as a whole hit its first snag when Democrats banded together and blocked the Senate from considering the defense appropriations bill. A summary of this month's actions on appropriations bills is below. The Senate had just wrapped up consideration of the National Defense Authorization Act (NDAA)—the defense policy bill—on a bipartisan vote when Majority Leader Mitch McConnell (R-KY) attempted to overcome the first procedural hurdle and bring the first spending bill to the floor. Democrats went along with their Republican colleagues at the subcommittee and full committee levels to bring the bill to the floor, but they warned their cooperation would stop when the full Senate considered the bills. Democrats have indicated they will be unwilling to support any bills that adhere to the law passed in 2011 and signed by President Obama that places the overall cap on spending. Additionally, Democrats have criticized Republicans for using the Overseas Contingency Operations account, a fund not subject to the cap, to add additional money for defense while not providing the same sequestration relief to non-defense programs. Unlike in the House where Republicans can pass bills without a single vote from Democrats, Republicans will need at least six of their Democratic colleagues in order to overcome the procedural hurdles and clear a bill. In spite of the fact that the process has stalled in the Senate, House Republicans continued to churn through appropriations bills and send them to the Senate. With every successive appropriations measure considered by the House, President Obama has issued a veto threat. It is unclear where the

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process will move from here. Senate Majority Leader Mitch McConnell has indicated he will continue to force procedural votes on appropriations bills to make Democrats go on record not supporting the funding of federal agencies. Congress and the President still have three months to work out a plan before the current fiscal year ends. If their current tendency to wait until the last minute carries over to the appropriations process, we could be in for an interesting final few weeks of September.

Action taken on Appropriations bills this month:

- House
  - Commerce, Justice, Science Bill passed by the full House
  - Defense Bill passed at the full committee and by the House
  - Financial Services bill passed at the subcommittee and full committee
  - Interior bill passed by the subcommittee and full committee
  - State and Foreign Operations bill approved at the subcommittee and full committee level.
  - Transportation-HUD bill passed by the full House
- Senate
  - Commerce, Justice, Science Bill passed by the subcommittee and full committee
  - Defense bill passed by the subcommittee and full committee. The Senate was unable to consider the bill on the floor when blocked by Democrats.
  - Homeland Security bill passed by the subcommittee and full committee
  - Interior bill passed by the subcommittee and full committee
  - Legislative Branch bill approved by the full committee
  - Transportation-HUD bill approved by the subcommittee

### ***Western Drought Continues to Divide California Delegation***

The ongoing drought has continued to divide the California delegation despite no major action being taken by either party to offer federal assistance amid the fourth year of a serious drought. Senator Dianne Feinstein (D-CA) promised to produce a drought bill in late April, but still has not released any text to allow the Senate to move forward. Additionally, her quest for a California bill hit a snag earlier this month when the Senate Natural Resources Committee held a hearing on western drought, which prompted Chairwoman Lisa Murkowski (R-AK) to say the committee would focus on crafting legislation that would benefit the entire western United States rather than focus just on the needs of any one particular state. This could be part of the reason Senator Feinstein has not released her bill. She is friends with the Chairwoman, and could be working with her staff to craft legislation that would benefit California and its drought-stricken neighbors.

In the House, Democrat Jared Huffman released a drought bill written after getting input from stakeholders. Huffman said he wanted to present an alternative solution to the crisis, calling for \$1.2 billion in new water related appropriations to beef up investments in federal infrastructure to include federal dams, municipal water pipes, and water conservation and reuse programs. There are no offsets in the bill, meaning it has little chance of passing in a budget environment where spending caps and the rate of growth is a major concern among Republicans who have control of the House and Senate. Huffman said his approach was to take the best ideas from other

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proposed legislation to create a comprehensive plan to help combat the drought. California Republicans used the final few days before the July 4<sup>th</sup> recess to reintroduce their bill. Congressman Valadao (R-CA), Majority Leader Kevin McCarthy (R-CA) and other prominent western lawmakers introduced what they are calling the best shot for Federal lawmakers to address the drought. The bill would loosen environmental restriction on the water being pumped to farms and cities. It would also free up major water storage projects in the west by giving more flexibility for the construction of reservoirs and dams. Sponsors of the bill said they have worked with Senator Feinstein to allay most of her concerns, but she indicated she was concerned about provisions that would violate environmental law.

In addition to the work being done in Congress, the administration has stepped up drought-related efforts by releasing grant funding for projects partially funded by the Bureau of Reclamation. President Obama has announced that additional funding will be made available this summer for wildfire suppression activities and to help those displaced by the lack of available water. We will continue to keep you updated as funding availability announcements are made.

### ***Transportation Ideas Floated in Advance of July Deadline***

With a little more than a month before the July 31<sup>st</sup> Surface Transportation Authorization deadline, we are starting to see lawmakers seriously consider legislative proposals emerge for a long-term (6 year) authorization bill. The Senate Environment and Public Works Committee has produced and advanced a bipartisan bill, introduced by Senators Jim Inhofe (R-OK) and Barbara Boxer (D-CA), that would authorize more than \$250 billion for transportation programs. Inhofe and Boxer said in a summary of the bill that they would like to see stability return to multi-year transportation project investments while allowing for additional input from Congress on the projects the Department of Transportation funds. The bill provides for an increase of 3% in spending for each of the 6 years covered under the bill. Additionally the programs calls for greater transparency in how money is spent, while providing innovative financing tools for state and local governments who want to leverage federal funds for projects—especially in rural areas. The Senators have publically indicated that this is the first step in the process, noting that the Finance Committee will have to find the revenue streams to make the investment possible. They have called on their colleagues to continue those conversations so that Congress can pass a long-term bill before the end of July.

Meanwhile, the House Transportation Committee Chairman, Bill Shuster (R-PA), has publically indicated he believes another short term extension might be necessary while Congress debates how to pay for these programs. Amid these comments, the House Ways and Means Committee has held several hearings on means of financing a long-term bill, with a hearing devoted to a broad tax overhaul and another devoted to using a one-time tax on profits being held abroad. The Senate Finance Committee has held similar hearings, but both Chairmen have come out against using a one-time repatriation tax as a means of financing the bill, which leaves the future of the proposal in doubt. Both would prefer to see Congress address broad tax reform as a means of financing the nation's infrastructure.

### ***Supreme Court Upholds Affordable Care Act Subsidies***

The Supreme Court had a slate of controversial cases this term. One of the most anticipated rulings was on whether or not insurance subsidies could be granted to individuals who had



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coverage from the federal exchange rather than those “established by the States.” The court ruled in a 6-3 decision that those individuals would still be eligible to receive subsidies because their removal would threaten to unravel the underlying law by destabilizing insurance markets. The Court held that Congress would not have intended to destabilize insurance marketplaces in a law where the overarching intention was to provide healthcare to millions of Americans who were not covered before the law took effect. Republicans were disappointed by the outcome, but they have said that the ruling doesn’t mean the debate is over. They now plan to use the reconciliation instructions found in this year’s budget resolution to send a bill to President Obama to repeal and replace the law, though the bill must be crafted in such a way as not to add to the deficit. The good news for the legislative calendar is that Congress does not have to scramble to pass a legislative “fix” before thousands of Americans lost their subsidies and potentially the ability to pay for insurance.

### ***Outlook for July***

The House and Senate only have one month remaining before their month-long summer break. With a full agenda, the House will have four weeks to debate a surface transportation authorization, K-12 education, a potential reauthorization of the Export-Import Bank, and appropriations measures. Debate could be further complicated by recent Supreme Court rulings on gay marriage and the Affordable Care Act. Conservatives could push for additional votes to repeal and replace the Affordable Care Act using the budget reconciliation process to send a bill to President Obama’s desk.

**INFORMATION  
ITEM**

**4F**



**June 26, 2015**

**To:** Inland Empire Utilities Agency

**From:** Michael Boccadoro  
President

**RE:** June Legislative Report

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**Overview:**

The first half of June was dominated by the final negotiations and passage of the Fiscal Year 2015-2016 state budget. The Legislature and the Governor reached a deal on a \$115.4 billion spending plan that includes Governor Brown's more conservative revenue estimates and lower overall spending levels. Additionally, several trailer bills were passed that contained some significant policy changes. Among other measures, the "drought" trailer bill contained a provision granting authority to the State Water Resources Control Board (SWRCB) to mandate consolidation if one of the agencies "consistently fails to provide an adequate supply of safe drinking water" in a disadvantaged community in an unincorporated area.

Additionally, the budget appropriated more than \$1.7 billion in Proposition 1 funds, including more than \$210 million for recycled water and more than \$100 million for stormwater management.

The California Public Utilities approved a program allocating \$40 million for grants for biomethane injection interconnection costs. The decision provides incentives for half of a project's interconnection costs, up to \$1.5 million per project. There was a strong effort to increase the funding, but ultimately, the commission approved the original proposal.

State Water Contractors (SWC) filed a complaint requesting that the State Water Resources Control Board take action to protect State Water Project releases from unlawful diversions in the Sacramento-San Joaquin Delta (Delta). They note that as public water agencies release billions of gallons of freshwater from storage to maintain environmental and water quality standards in the Delta, substantial, unlawful diversions by water diverters south of the San Joaquin River threaten to increase the burden on limited stored water supplies, affecting both the environment and other water users.

The Bureau of Reclamation and the California Department of Water Resources filed notice in the federal register of their intent to prepare a partially Recirculated Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement (RDEIR/SDEIS) on the Draft Bay Delta Conservation Plan and Natural Community Conservation Plan.

Specifically, three new alternatives for conveyance facilities will be evaluated: Alternative 4A with three intakes, Alternative 2D with five intakes, and Alternative 5A with one intake. Should one of these new alternatives be chosen, they would be analyzed through the interagency

consultation process as described the Federal Endangered Species Act and the California Endangered Species Act through the California Fish & Game Code.

The Public Policy Institute of California (PPIC) has released a poll that shows that Californians see water and drought as the most important issue facing the state, and most residents say people in their region are not doing enough to respond.

For the first time in a PPIC survey, Californians are most likely to name water and drought (39%) as the most important state issue, followed by jobs and the economy (20%).

## **Inland Empire Utilities Agency Status Report – June 2015**

### ***Budget***

The Governor has signed the budget that he and legislative leaders reached an agreement on for the 2015-2016 Fiscal Year. The Legislature passed a larger budget before the constitutional June 15 deadline knowing the Governor would never approve the increased expenditures. The final budget is a \$115.4 billion spending plan that includes Governor Brown's more conservative revenue estimates and lower overall spending levels, while increasing funding for preschool and universities and expanding Medi-Cal coverage to undocumented children starting in May 2016.

There were also a number of drought provisions included in a trailer bill with exemptions from the California Environmental Quality Act to some drought-related groundwater and water recycling projects. The measure is narrower in scope than the one Gov. Jerry Brown originally proposed.

The trailer bill requires anyone who diverts 10 acre-feet of water or more to measure and report on their diversions and allows agencies to fine people who violate a water conservation measure as much as \$10,000.

The biggest controversy in the trailer bill was a section that grants authority to the State Water Resources Control Board (SWRCB) to mandate consolidation if one of the agencies "consistently fails to provide an adequate supply of safe drinking water" in a disadvantaged community in an unincorporated area. The SWRCB would have to take several steps before ordering a consolidation or extension of service, including notifying the affected systems, consulting with the relevant local agency formation commission (LAFCO), and allowing time to negotiate another means of providing an adequate supply of safe drinking water.

The SWRCB also would have to provide technical assistance and work with the affected systems to develop a financing package that benefits both systems, and hold at least one public hearing as close as feasible to the affected areas.

This final language was significantly narrowed from the broader authority originally presented by the Brown administration. ACWA and other organizations voiced strong opposition to the consolidation portion of the trailer bill.

The Legislature also approved trailer bill language related to drinking water fees as part of an omnibus resources trailer bill. The language keeps the existing drinking water fee structure in place for one year and creates a stakeholder process to provide input on proposed changes moving forward. It also requires SWRCB to adopt the first round of changes through the regulatory process instead of by emergency regulation as previously proposed.

Below is a breakdown of the drought, Proposition 1 implementation and water funding that was also approved in the budget.

<b>Department</b>	<b>Purpose</b>	<b>\$ in millions</b>	<b>Fund Source</b>
<b>Protecting and Expanding Local Water Supplies</b>			
SWRCB	Groundwater Contamination	783.4	Proposition 1
SWRCB	Water Recycling	210.7	Proposition 1
SWRCB	Safe Drinking Water in Disadvantaged Comm.	175.3	Proposition 1
SWRCB	Wastewater Treatment Projects	158.4	Proposition 1
SWRCB	Stormwater Management	101.0	Proposition 1
DWR	Groundwater Sustainability	60.0	Proposition 1
DWR	Desalination Projects	50.0	Proposition 1
<b>Water Conservation</b>			
DWR	Urban Water Conservation	54.0	Proposition 1/ General Fund
DWR	Agricultural Conservation	35.0	Proposition 1
DWR	Make Water Conservation a Way of Life	13.0	Proposition 1
DGS	Water Conservation at State Facilities	15.4	General Fund/ Special Funds
<b>Emergency Response</b>			
FFP	Enhanced fire protection	66.8	General Fund/ Special Funds
OES	CA Disaster Assistance Act	22.2	General Fund
DWR	Removal of Emergency Salinity Barriers in Delta	11.0	General Fund
CSD	Farmworker Assistance	7.5	General Fund
HCD	Rental Relocation Assistance	6	General Fund
SWRCB	Implement executive order	1.4	General Fund

**Total \$1.771 Billion**

The final piece of the budget to report on is the allocation of Greenhouse Gas Reduction Funds (GGRF). The GGRF allocates funds from cap and trade auction revenues to activities that will reduce greenhouse gasses in the state. The 2014-2015 budget set a permanent revenue allocation schedule where 60 percent of the funds are automatically appropriated in categories such as high speed rail and sustainable housing. The remaining 40 percent gets annually allocated by the legislature. This budget allocates the 60 percent as required by law, but does not allocate the over

\$800 million in remaining discretionary funds. The funds could get allocated at a later date. Concerns over the cap and trade program possibly being invalidated by the courts is likely a reason for the delay in the expenditures.

### ***Biomethane Interconnection Grant Program***

Implementation of AB 1900 (Gatto, 2013) continues at the California Public Utilities Commission (CPUC) with a decision that requires biomethane producers to fund the costs of complying with the cleaning, conditioning and testing standards. However, the CPUC also set up a new \$40 million incentive program to help with the interconnection costs.

The decision provides incentives for half of a project's interconnection costs, up to \$1.5 million per project. The program will last for five years. Some groups advocated for more total funds and a higher per-project cap. The CPUC decided to keep the original proposal but seemed open to make changes to the program should it prove to be successful and in need of increases.

### ***State Water Contractors ask SWRCB to Protect Environmental Releases from Diversions***

The State Water Contractors (SWC) filed a complaint requesting the State Water Resources Control Board take action to protect State Water Project releases from unlawful diversions in the Sacramento-San Joaquin Delta (Delta). As public water agencies release billions of gallons of freshwater from storage to maintain environmental and water quality standards in the Delta, substantial, unlawful diversions by water diverters south of the San Joaquin River threaten to increase the burden on limited stored water supplies, affecting both the environment and other water users.

“These landowners in the Delta have long-standing water rights that entitle them to water when nature provides it—but those rights do not entitle them to stored water paid for by others and intended for the environment. If nature ran its course, the Delta would not be suitable for drinking or farming this summer,” said Stefanie Morris, acting general manager of the State Water Contractors.

The Contractors note that historical measurements of salinity indicate that the Delta does not naturally stay fresh during droughts. Currently, however, state and federal water projects are responsible for maintaining freshwater conditions in the Delta year-round expressly for environmental purposes.

In their letter to the SWRCB, the Contractors claim that landowners who continue to divert water from within the Delta are taking the stored state and federal water project supplies needed to meet water quality requirements. On any given day, landowners in the Delta are diverting three to four times as much water as the state and federal water projects combined. Estimates show that landowners last year diverted as much as 300,000 acre-feet of water in excess of their water rights. This water was paid for by other water users and released into the Delta to improve water quality. In the same year, the State Water Project received just 200,000 acre-feet for all 26 million customers and 750,000 acres of farmland.

“We’re depending on stored water to meet environmental needs, but without action from the state, keeping the Delta water fresh this summer will be like trying to fill a bucket with a hole in

the bottom. We'll be depleting reservoirs to make up for what diverters south of the San Joaquin River are taking out," added Morris.

Historical data and extensive modeling show that the Delta would be much saltier without the state's major reservoirs. The SWC are requesting that the SWRCB issue an order requiring diverters south of the San Joaquin River to stop diverting in excess of their water rights. In addition to this immediate action, a long-term solution is needed as the state struggles to manage scarce resources.

***Bureau of Reclamation files Notice of Intent to prepare recirculated EIR/EIS for the BDCP***  
The Bureau of Reclamation and the California Department of Water Resources have filed notice in the federal register of their intent to prepare a partially Recirculated Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement (RDEIR/SDEIS) on the Draft Bay Delta Conservation Plan and Natural Community Conservation Plan.

The RDEIR/SDEIS will describe and analyze refinement of the resource area analyses, alternatives, and actions, including additional alternatives that describe conveyance alternatives that do not contain all the elements of a Habitat Conservation Plan/Natural Communities Conservation Plan that are described in the previously circulated Draft Environmental Impact Report/Environmental Impact Statement (EIR/EIS).

Specifically, three new alternatives for conveyance facilities will be evaluated: Alternative 4A with three intakes, Alternative 2D with five intakes, and Alternative 5A with one intake. Should one of these new alternatives be chosen, they would be analyzed through the interagency consultation process as described under Section 7 of the Federal Endangered Species Act and the California Endangered Species Act through Section 2081(b) of the California Fish & Game Code.

Further, the recirculated documents will evaluate alternatives to support a determination of the Least Environmentally Damaging Practicable Alternative by the U.S. Army Corps of Engineers.

***PPIC Poll: Water and Drought Most Important CA Issue***

The Public Policy Institute of California (PPIC) has released a poll that shows that Californians see water and drought as the most important issue facing the state, and most residents say people in their region are not doing enough to respond.

For the first time in a PPIC survey, Californians are most likely to name water and drought (39 percent) as the most important state issue, followed by jobs and the economy (20 percent). Water and drought is the most frequently named issue in all regions:

- Central Valley 53 percent
- San Francisco Bay Area 42 percent
- Orange/San Diego 37 percent
- Inland Empire 36 percent
- Los Angeles 31 percent

In addition, 69 percent of Californians say the supply of water in their part of the state is a big problem—a record high since the survey began asking this question in 2009.

Just 28 percent of Californians say that people in their part of the state are doing the right amount to respond to the drought, while 60 percent say that their neighbors are not doing enough (7 percent too much).

The survey also asked about the Governor's order to implement water restrictions in cities and towns to reduce water usage statewide by 25 percent. Nearly half of residents (46%) say the restrictions do the right amount to respond to the drought. About a third (36%) say the restrictions do not do enough, and 12 percent say they do too much.

When asked about Governor Brown's handling of the drought:

- 47 percent of Californians approve
- 38 percent disapprove
- 15 percent don't know

### ***Legislative Update***

July 5 was the "House of Origin Deadline" in the Legislature. The bills that made it out of their original house are now working through the policy committee process in their second house, and have to be out of their policy committee by July 17. July 17-August 17 is the annual Summer Recess for the Legislature.

Below are bills IEUA is tracking:



**INFORMATION  
ITEM**

**4G**

# *Agricultural Resources*

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Washington, D.C. 20002-5811  
(202) 546-5115  
[agresources@erols.com](mailto:agresources@erols.com)

June 26, 2015

## Legislative Report

**TO: Joe Grindstaff  
General Manager, Inland Empire Utility Agency**

**FR: David M. Weiman  
Agricultural Resources  
LEGISLATIVE REPRESENTATIVE, IEUA**

**SU: Legislative Report, June 2015**

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**Snapshot.** It is not unfair to say that the last week in June was the most significant of the Obama presidency. Stunning developments unfolded – some in the works for years – each collided with one another, sometimes by the hour. Social and cultural issues didn't just dominate the news cycle – they overwhelmed it. The terrible shooting in South Carolina led to Governor Haley leading an effort to remove the Confederate Flag. Within 24 hours, Governors and others throughout the South were doing the same. President Obama, with Speaker Boehner flying with him aboard Air Force One (first time since Obama became President), flew to Charleston for the funeral together. Obama eulogy is considered by many to be his finest hour in the six and a half years of his presidency. At the same time, the Supreme Court upheld the Affordable Care Act, upheld Gay Marriage and upheld a key housing discrimination case. Internationally, Greece is on the verge of default at the EU which could lead to international financial shockwaves (to be played out over the next few weeks). On water policy and drought, the Feinstein-McCarthy legislative talks (behind closed doors for a year or more) collapsed with blame now dominating its discussion. San Joaquin Valley Reps. David Valadao and Devin Nunes then introduced a 170-page water/drought bill. Northern CA Rep. (and ranking D on the Water and Power Subcommittee, Jared Huffman released a 120-page draft bill inviting comments, discussion and deliberation. Bills are totally different. A form of water-drought gridlock exists and is perpetuated. Meanwhile, despite some precipitation in the Rocky Mountains, Lake Mead

dropped below the mandatory allocation trigger of 1075 with political alarms sounding throughout the seven-state region. Finally, leading AZ officials, fearing a forced allocation, are openly making “threats” directed at California. At EPA, the proposed “Waters of the US” regulations have generated a national backlash.

#### **Bureau of Reclamation Grant**

- ***New Bureau of Reclamation Grant to IEUA.*** BuRec grant awarded to IEUA for \$750,000 to expand two existing recharge Basins. Second grant in two months (earlier grant was for \$5 million).

#### **Water and Drought**

- ***Feinstein-McCarthy Drought Bill Talks Collapse.*** Talks over a drought bill – underway for at least a year or more – came to a halt (again). They blew up last Fall after a draft was leaked. At the time, those involved in the negotiations – Senator Feinstein, Reps. Valadao, Nunes, McCarthy, Denham, Costa and various SJ Valley water interests said they were “real close.” They weren’t. Negotiations resumed in December and continued for six months without agreement. The House Members and water districts insisted on overturning environmental laws and the SJ River Restoration program. Feinstein wouldn’t agree and Boxer began to publicly oppose. The same impasse is in place. No progress. Talks reportedly have stopped for now.
- ***Valadao-Nunes Bill Introduced.*** After the talks with Feinstein broke down, the SJ Valley Reps. announced that they would proceed with their own bill without Feinstein and Boxer – and with proposed statutory provisions which Feinstein and Boxer opposed. A 170-page bill was introduced. It effectively waives ESA, the Central Valley Project Improvement Act, and the San Joaquin River Restoration Act. The bill was introduced without a summary or section-by-section. It’s a very complex bill, laced with legally nuanced language (real intent of numerous sections undisclosed). While the bill states that water rights and areas-of-origin are respected, the practical effect of this bill will be to leapfrog them. This bill is highly controversial and further divides Californians regionally. It is believed that sponsors will ask to move the bill in July and pass it out of the House (so a political campaign can be waged in the Senate).
- ***Rep. Jared Huffman (D-CA) Circulates Draft Bill, Invites Comments and Discussion.*** In contrast to the Feinstein-McCarthy talks (behind closed doors on unseen drafts) and the Valadao-Nunes bill (not substantively discussed with anyone outside the SJ Valley), Rep. Huffman (represents Marin County and Coastal CA to Oregon), the ranking D on Water and Power Subcommittee, drafted a drought and water development bill (recycling is touted) – totally different approach, and circulated it in draft form and invited comment and suggestions from interested parties. His process, without a deadline, is underway.
- ***Senate Drought Hearing.*** Senator Lisa Murkowski, Chair, Senate Energy Committee held a westwide drought hearing in early June. She indicated that the Committee is considering a westwide drought bill (as opposed to a California-only bill). Timing

unclear.

- **Lake Mead – Allocation Trigger Reached – Mixed Reports from Colorado River.** Lake Mead dropped to just under 1075 – the mandatory allocation trigger level. In order to actually trigger a reallocation, the lower lake level would have to be sustained between August to January. Right now, it is likely that water levels will increase above 1075 later this year after run-off totals are finalized. If accurate, then a mandatory allocation will not occur in 2015 (but becomes more likely in 2016).
- **Drought Conditions – California.** At the end of June, all 58 California Counties remained in various levels of drought. According to the NOAA/USDA’s well-visited Drought Monitor web site, 100% of California remains in drought and the June 23 weekly update report reported that more than 90% of the entire State was in severe, extreme or exceptional drought and – once again – more than 90% of the coastal regions (including Southern California) of the State and the entire Sacramento and San Joaquin Valleys were in the highest category of drought.
- **Drought Conditions – Rest of the West.** Last month, I reported that the drought map for the West abruptly changed following the huge storms in the Gulf, Texas and Oklahoma. Drought has all but disappeared east of the Rockies. Almost no drought conditions exist from the Dakotas down through Texas. Coastal states (CA, OR, and WA) remain in severe drought (getting worse in OR and WA). Same with Arizona, Nevada and Utah. Western MT, WY, NM and CO remain in drought, but the eastern part of each of those states are drought-free at this time.
- **El Nino – Maybe.** Last month, I reported that El Nino conditions point to “maybe.” That’s unchanged – and actively being watched by every imaginable interested scientist, weather expert and water agency.

#### **Political Threats – From Arizona to California Getting Louder, More ShriII.**

- Beginning about six, maybe nine months ago, Arizona water leaders began privately and publicly expressing outright alarm that California would “steal” Arizona water if the Colorado River dropped low enough to force a mandatory allocation.
- In the week, the Mayor of Phoenix was in DC attending a Washington Post renewable energy conference (I attended) and used the forum to sound the “California-wants-to-steal-AZ’s-Water concern multiple times in a 30-minute presentation.
- Almost overnight, articles in AZ papers are doing the same. One prominent blogger called it misplaced and a false alarm, but it continues, unabated. Look for these statements to be louder and more frequent – particularly as Lake Mead flirts with the 1075 allocation trigger level.

### EPA-Corps of Engineers Issue New Clean Water Act Rule.

- EPA's regs are being politically attacked. In Congress, amendments to funding bills and other legislation are seeking to block their implementation.
- As reported last month, the proposed regs were both hailed and denounced (either both before anyone could have possibly read or reviewed them). Today, arguments appear to be more political than substantive.
- And, as a reminder, last month I reported that "*IEUA and others asked EPA and the Corps, after reviewing the draft, to exempt recycled water facilities and projects. As requested, these projects were exempted.*"

### International and Security Issues Continue to Dominate and Influence the Congressional Agenda

- ***Major Foreign Policy and International Conflict Issues Continue to Dominate National Agenda.*** I've reported multiple times that Greece, in financial trouble, may default on EU loans, fail to reach an agreement to refinance, and, as a result, abruptly pull out of the EU. As of late June, it looks as if agreement will not be reached and Greece will default. International stock markets are already "feeling" the potential. If Greece defaults, the international financial markets move into uncharted territory – with the highest of risks.

### 2016 – Presidential Politics.

- 2016 President Election. Four candidates seeking the D nomination. And with Trump and Governor Jindal (R-LA) now in the race, 13 Rs are officially announced. NJ's Governor, Chris Christie is expected to announce in July. Five US Senators are now running for President (making running the Senate even more difficult).

### Municipal Bonds

- ***Municipal Bonds for America Coalition Planning July Fly-In.*** Plans for a planned fly-in for July are now being finalized.

### Quick Takes.

***Utah joins OR, WA and CA – Calls for Drought Regs/Response.*** Most of UT is in severe drought. The Governor has joined other western governors – issued State Executive Order on conservation. ***Rumors – Settlement Pending Between Westlands – BuRed (Department of the Interior) on Drainage Settlement.*** Rumors are swirling that an agreement between the Feds and Westlands are soon to be announced (a billion dollar claim). ***Governor Brown attended MWD Board Meeting – Touts Need for Solutions and His Water Plan.*** Governor Jerry Brown attended a meeting with the MWD Board to advance his water agenda. He's been meeting with media and selected groups regularly. ***New Leader at AMWA.*** The AMWA Board selected its long-time AMWA senior official, Adam Krantz, to be the new President, effective immediately. ***Budget Deficits Dropping Dramatically.*** Further evidence that the economy is rebounding, the monthly deficits dropped significantly. ***NASA Report on Aquifers – Globally – Sounds***

**Warning.** NASA report high profile – huge media response, in US and around world.

■ ***Looking Into July.***

- \* Each month – more about 2015-16 El Nino Conditions
- \* House to move Valadao Bill – more polarization
- \* Financial situation in Greece – and if default, repercussions

**INFORMATION  
ITEM**

**4H**



CALIFORNIA STRATEGIES, LLC

Date: June 25, 2015  
To: Inland Empire Utilities Agency  
From: John Withers, Jim Brulte  
Re: June Activity Report

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Listed below is the California Strategies, LLC monthly activity report. Please feel free to call us if you have any questions or would like to receive any more information on any of the items mentioned below.

- Met with IEUA Executive Management Team to review priority issues and to discuss activities for June that they wanted accomplished.
- Participated in discussions with staffs of San Bernardino and IEUA to discuss coordination of County and District legislative and public policy issue agendas that Executive Staff wanted.
- Monitored LAFCO staff and Chair on the status and key issues related to the MSR process currently underway for water conservation districts countywide. Discussed MSR Lafco hearing and follow up items.
- Support and advise on IEUA/SBVMWD transfer transaction on an as needed basis.
- Provided an update on the recent filing of a Sphere of Influence amendment filing by the CVWRD.
- Continue to monitor statewide water issues including the BDCP, water bond, and drought relief act activities.
- Outreach to Board Directors as needed on issues of interest
- Monitor Santa Ana Regional Board agenda and issues of interest to IEUA.



**INFORMATION  
ITEM**

**41**

# *Innovative Federal Strategies* LLC

Comprehensive Government Relations

## ***Federal Legislation of Significance***

<b>Bill Number</b>	<b>Sponsor</b>	<b>Summary</b>	<b>Status</b>
n/a	Sen. Dianne Feinstein	Potential introduction of drought legislation that could turn into a western drought bill that could loosen some environmental regulations to make additional water available.	Delayed. Apparently there are continued discussions with the Governor's office on a potential compromise. Feinstein is unlikely to introduce legislation if opposed by the Governor's office.
H.R.2898	Rep. David Valadao	Western Drought Legislation introduced by California House Republicans that would ease environmental regulations provide for easier permitting for water storage projects.	Introduced on 6/25. Will probably be considered before the August recess, though it will go through the Committee process first. This is priority legislation for the Majority Leader.
S.1140	Senator John Barrasso	Requires the Secretary of the Army and the Administrator of the Environmental Protection Agency to propose a regulation revising the definition of the term "waters of the United States".	Introduced and reported favorably by the Environment and Public Works Committee for consideration by the Senate.
H.R.1732	Rep. Bill Shuster	Requires the Secretary of the Army and the Administrator of the Environmental Protection Agency to withdraw their existing proposed rule regarding the waters of the United States and propose a new rule with additional stakeholder feedback.	This bill has passed the House. The Senate is currently considering their own version (mentioned above).
n/a	Rep. Paul Ryan or Senator Orrin Hath	Tax Reform Legislation specific to municipal bond preferential tax status.	There is currently no broad tax reform package up for consideration, but we suspect talk will continue as Congress looks at a long-term highway and transit funding bill.

*Innovative Federal Strategies LLC*

n/a	Rep. Jared Huffman	Provides for \$1.2 billion in new water related appropriations to help the western United States build storage capacity to help with long-term drought mitigation.	Huffman has circulated his bill, but it has not yet been introduced or received a bill number. As the bill does not have offsets, and Rep. Huffman is in the minority, we do not expect this bill to receive serious consideration.
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**INFORMATION  
ITEM**

**4J**

## IEUA2015 Legislation Tracking Matrix-- POSITIONS

Bill	Author	Subject	Status	Description	IEUA Position	Notes
AB 143	STONE (R)	Diamond Valley Reservoir: recreational use.		Current law, with certain exceptions, prohibits recreational use, in which there is bodily contact with water, in a reservoir in which water is stored for domestic use and establishes water standards for those exempted reservoirs. This bill would exempt from this prohibition recreational activity in which there is bodily contact with water by any participant in the Diamond Valley Reservoir if certain standards are met. This bill contains other related provisions.	Oppose	Bill was made a two-year bill.
SB 75	Budget Committee	Emergency Drought Appropriations	Held in Assembly	Emergency Drought Expenditures	Support	The Emergency Drought bills were passed in separate vehicles, ABs 91 & 92, contained the same language as SB 75

**INFORMATION  
ITEM**

**4K**

# 4<sup>th</sup> Quarter Update Planning & Environmental Resources



*Inland Empire Utilities Agency*  
A MUNICIPAL WATER DISTRICT

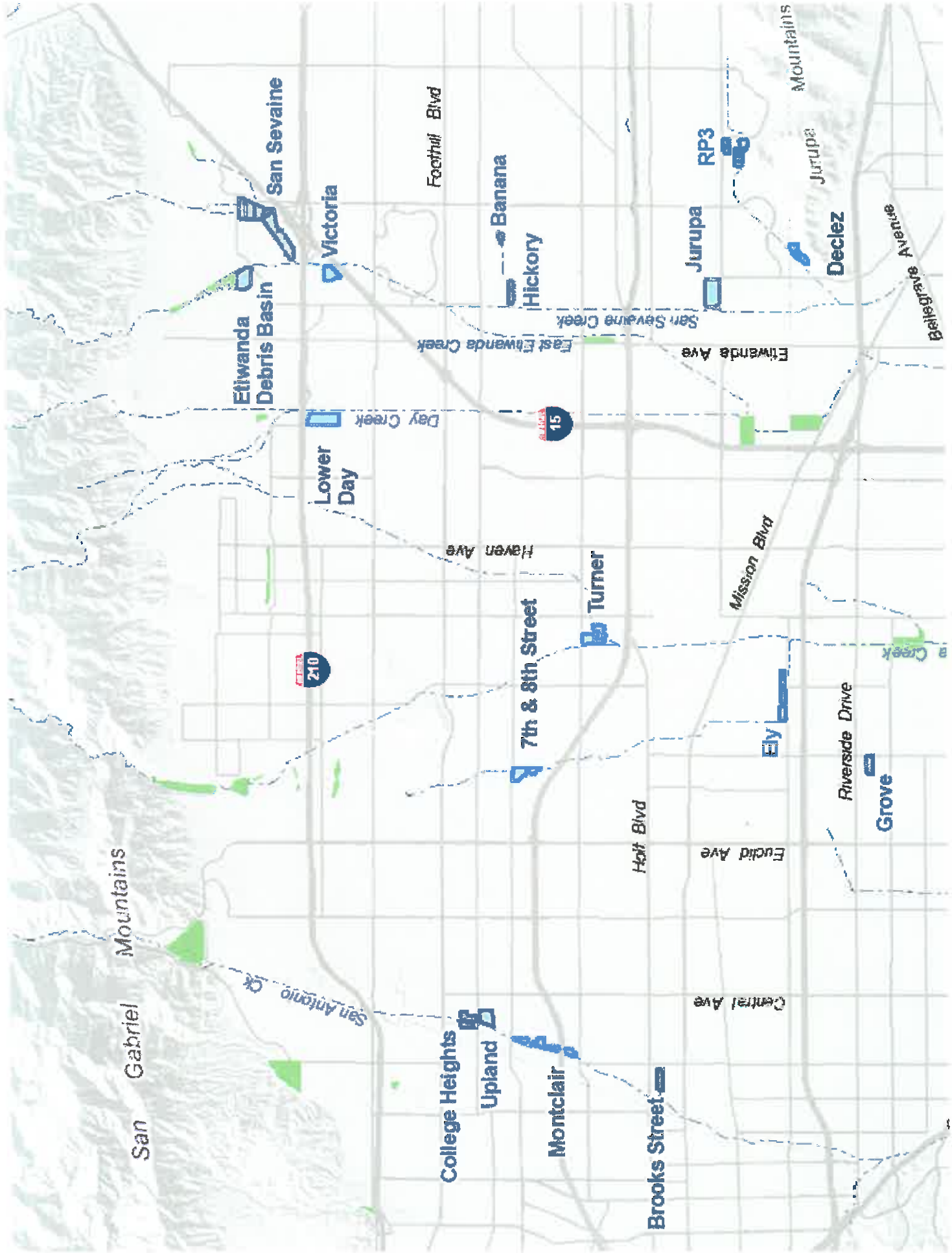
July 2015

# Long-Term Permitting

## **GWR Basins Operations & Maintenance (O&M)**

- **California Department of Fish & Wildlife Permit**
  - Expires on June 30, 2022
- **Regional Water Quality Control Board Permit**
  - No expiration
- **United States Army Corps of Engineers (USACOE) Permit**
  - Nationwide Permit = General Permit
  - Expires every 5 years on March 18, 2017





# Long-Term Permitting



# Long-Term Permitting

## Challenges of Current USACOE Permit:

- Nationwide permit expires every five years
- Time to negotiate permit: 2 years

## Current Proposal:

- Obtain an Individual Permit for the GWR Facilities
- Expires every 10 to 15 years from date of issue
- Met with USACOE in February 2015
- Application submittal in Summer 2015



# Regulatory Compliance Update

## **RWQCB**

- All Facilities – 100% compliance
  - Reproduction Toxicity at RP-1 & CCWRF
- Category 3 SSO – Etiwanda NRWS Spill

## **AQMD**

- All Facilities – 100% compliance

## **SWRCB – DDW**

- CDA1 – 100% compliance
- GWR – 100% compliance
  - Total Nitrogen at RP3 Basin



# Pretreatment & Source Control

## Regional System

- Local Limits Study
- Enforcement Actions – 23 NOVs
- Permits Processed – 10
- Pretreatment Compliance Inspection

## North NRWS

- Enforcement Action – 24 NOVs
  - 1 Permit Revocation
- Permits Processed – 10

## South Brine Line

- OCSD Ordinance & Local Limits Revision
- Enforcement Action – 11 NOVs
- Permits Processed - 8



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT



# Planning

## **Prado Basin Adaptive Management Plan**

- Monitoring Wells Installation Complete and AMP report being finalized

## **Santa Ana River Habitat Conservation Plan**

- Phase 1 Completed
- Phase 2 Hydraulic Impact Modeling - Completion by January 2016

## **Integrated Resources Plan**

- **Completed Tasks:**
  - Develop draft IRP goals and identify supply needs
  - Complete baseline water demand forecasts to address uncertainty
- **Tasks to be completed via Stakeholder Workshops**
- **Other Activities**
- **Fall: Draft IRP**

# Water Resources Activities

- **Water Supply Allocation Plan (WSAP)** – effective July 1<sup>st</sup>
- **MWD Foundational Actions Programs** – Final reports
- **State Drought Emergency Water Conservation**
  - IEUA Drought Workshops held in May
  - Preparing Regional Outreach Messaging
- **DWR/SAWPA Prop. 84 Drought Grant**
  - Aerial imagery completion: August 2015
  - Technology Based Information System RFP in process

# Questions?



**AGENCY  
REPRESENTATIVES'  
REPORTS**

**5A**



# S A W P A

SANTA ANA WATERSHED PROJECT AUTHORITY  
11615 Sterling Avenue, Riverside, California 92503 • (951) 354-4220

## REGULAR COMMISSION MEETING TUESDAY, JUNE 16, 2015 – 9:30 A.M.

### AGENDA

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE (Thomas P. Evans, Chair)

2. ROLL CALL

3. PUBLIC COMMENTS

Members of the public may address the Commission on items within the jurisdiction of the Commission; however, no action may be taken on an item not appearing on the agenda unless the action is otherwise authorized by Government Code §54954.2(b).

4. CONSENT CALENDAR

All matters listed on the Consent Calendar are considered routine and non-controversial and will be acted upon by the Commission by one motion as listed below.

- A. APPROVAL OF MEETING MINUTES: MAY 19, 2015..... 5  
**Recommendation:** Approve as posted.
- B. APPROVAL OF MEETING MINUTES: JUNE 2, 2015..... 11  
**Recommendation:** Approve as posted.
- C. TREASURER’S REPORT – MAY 2015..... 13  
**Recommendation:** Approve as posted.

5. NEW BUSINESS

- A. MIDDLE SANTA ANA RIVER PATHOGEN TMDL TASK FORCE – REGULATORY STRATEGIST AND TMDL COMPLIANCE EXPERT (RISK SCIENCES) (CM#2015.42)... 19  
**Presenter:** Mark Norton  
**Recommendation:** Approve Task Order RISK 384-08 with Risk Sciences for an amount not-to-exceed \$87,300 for the next two fiscal years to serve as regulatory strategist and compliance expert for the Middle Santa Ana River Pathogen TMDL Task Force.
- B. USE OF BUILDING RESERVE FUNDS FOR ONE AIR CONDITIONING UNIT REPLACEMENT (CM#2015.41)..... 27  
**Presenter:** Rich Haller  
**Recommendation:** Authorize the use of \$6,200 from the Building Reserve Fund to replace one air conditioning unit: Unit 7.

- C. **FISCAL YEAR 2016 WORK ORDER WITH WESTERN MUNICIPAL WATER DISTRICT FOR CERTAIN OPERATIONS AND MAINTENANCE ACTIVITIES ON THE INLAND EMPIRE BRINE LINE REACHES IV, IV-A, IV-B, IV-D, IV-E AND V (CM#2015.38)**..... 29  
**Presenter:** Rich Haller  
**Recommendation:** Approve a Work Order with Western Municipal Water District in the amount of \$119,000 for Fiscal Year 2016 Inland Empire Brine Line Operations and Maintenance activities.
- D. **DAMAGE TO MAS 4B-0850 BY CALTRANS (CM#2015.39)**..... 37  
**Presenter:** Carlos Quintero  
**Recommendation:** Receive a report on the damage sustained on Maintenance Access Structure 4B-0850 by Caltrans crews and direct staff to file a claim against Caltrans for an amount to be determined.
- E. **INLAND EMPIRE BRINE LINE ON-CALL SERVICE CONTRACTS (CM#2015.40)**..... 39  
**Presenter:** Carlos Quintero  
**Recommendation:** Receive a report on the Brine Line On-Call Service Contracts; and approve (1) a General Services Agreement and Task Order with Houston Harris Inc. for an amount not to exceed \$318,120; (2) a General Services Agreement and Task Order with Haz Mat Trans Inc. for an amount not to exceed \$98,215; and, (3) a General Services Agreement Task Order with E. S. Babcock Laboratories for an amount not to exceed \$62,346.
- F. **SUPPLEMENTAL ENVIRONMENTAL PROJECT (SEP) FUNDING AGREEMENT FOR SANTA ANA SUCKER HABITAT IMPROVEMENT PROJECT (CM#2015.43)**..... 77  
**Presenter:** Ian Achimore  
**Recommendation:** Authorize staff to execute Mandatory Minimum Penalty Order No. R8-2015-0012 Stipulations for Settlement of Mandatory Minimum Penalties by and among the Santa Ana Regional Water Quality Control Board, the City of Beaumont, and the Santa Ana Watershed Project Authority (Agreement); and authorize staff to receive \$24,000 in Supplemental Environmental Project (SEP) funds from the City of Beaumont to implement a habitat improvement project for the Santa Ana sucker (*Catostomus santaanae*).
- G. **STATEMENT OF INVESTMENT POLICY (CM#2015.44)**..... 91  
**Presenter:** Karen Williams  
**Recommendation:** Adopt Resolution No. 2015-05, approving the Statement of Investment Policy and delegating authority to the Chief Financial Officer to invest or reinvest funds consistent with the Statement of Investment Policy.
- H. **FYE 2015 COLA AND MERIT INCREASE (CM#2015.49)**..... 109  
**Presenter:** Celeste Cantú  
**Recommendation:** Approve the staff recommendations for the FYE 2015 COLA (1.8%) and merit pool (5.0%).
- I. **PRESENTATION AND UPDATE – CLASSIFICATION AND COMPENSATION STUDY**  
**Presenter [Presentation]:** Doug Johnson, Vice President, Ralph Andersen & Associates  
**Presenters [Update]:** Employee Compensation Ad Hoc Committee Members – Alternate Commissioner Jasmin Hall and Commissioner Ed Killgore  
**Recommendation:** Receive and file.

**6. OLD BUSINESS**

None.

**7. INFORMATIONAL REPORTS**

**Recommendation:** Receive and file the following oral/written reports/updates.

- A. **OWOW UPDATE – PA 22 COMMITTEE (CM#2015.45)**..... 111  
**Presenter:** Larry McKenney
- B. **CASH TRANSACTIONS REPORT – APRIL 2015**..... 113  
**Presenter:** Karen Williams
- C. **INTER-FUND BORROWING – APRIL 2015 (CM#2015.46)**..... 119  
**Presenter:** Karen Williams
- D. **PERFORMANCE INDICATORS/FINANCIAL REPORTING – APRIL 2015 (CM#2015.47)**..... 121  
**Presenter:** Karen Williams
- E. **BUDGET VS. ACTUAL VARIANCE REPORT – FYE 2015 THIRD QUARTER – MARCH 31, 2015 (CM#2015.48)**..... 141  
**Presenter:** Karen Williams
- F. **FINANCIAL REPORT FOR THE THIRD QUARTER ENDING MARCH 31, 2015** ..... 151
  - Inland Empire Brine Line (IEBL)
  - SAWPA**Presenter:** Karen Williams
- G. **SAWPA ROUNDTABLE STATUS REPORT FOR THE THIRD QUARTER ENDING MARCH 31, 2015**..... 171  
**Presenter:** Mark Norton
- H. **STATE LEGISLATIVE REPORT** ..... 181  
**Presenter:** Celeste Cantú
- I. **GENERAL MANAGER’S REPORT**..... 207
- J. **SAWPA GENERAL MANAGERS MEETING NOTES** ..... 209
  - June 9, 2015
- K. **CHAIR’S COMMENTS/REPORT**
- L. **COMMISSIONERS’ COMMENTS**

**8. CLOSED SESSION**

- A. **CONFERENCE WITH LABOR NEGOTIATORS – PURSUANT TO GOVERNMENT CODE SECTION 54957.6**  
Agency Designated Representative: Celeste Cantú  
Unrepresented Employees: All SAWPA Employees
- B. **CONFERENCE WITH LEGAL COUNSEL – EXPOSURE TO LITIGATION – PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2)**  
Number of Potential Cases: One

## 9. ADJOURNMENT

**PLEASE NOTE:**

Americans with Disabilities Act: Meeting rooms are wheelchair accessible. If you require any special disability related accommodations to participate in this meeting, please contact Kelly Berry at (951) 354-4230 or [kberry@sawpa.org](mailto:kberry@sawpa.org). Notification at least 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility for this meeting. Requests should specify the nature of the disability and the type of accommodation requested.

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda packet are available for public inspection during normal business hours at the SAWPA office, 11615 Sterling Avenue, Riverside, and available at [www.sawpa.org](http://www.sawpa.org), subject to staff's ability to post documents prior to the meeting.

**Declaration of Posting**

I, Kelly Berry, Clerk of the Board of the Santa Ana Watershed Project Authority declare that on Thursday, June 11, 2015, a copy of this agenda has been uploaded to the SAWPA website at [www.sawpa.org](http://www.sawpa.org) and posted in SAWPA's office at 11615 Sterling Avenue, Riverside, California.

/s/

\_\_\_\_\_  
Kelly Berry, CMC

### **2015 - SAWPA Commission Meetings/Events**

First and Third Tuesday of the Month

(NOTE: Unless otherwise noted, all Commission Workshops/Meetings begin at 9:30 a.m., and are held at SAWPA.)

<b>January</b> 1/6/15 Commission Workshop 1/20/15 Regular Commission Meeting	<b>February</b> 2/3/15 Commission Workshop 2/17/15 Regular Commission Meeting
<b>March</b> 3/3/15 Commission Workshop 3/17/15 Regular Commission Meeting	<b>April</b> 4/7/15 Commission Workshop 4/21/15 Regular Commission Meeting
<b>May</b> <del>5/5/15 Commission Workshop [CANCELLED]</del> 5/19/15 Regular Commission Meeting	<b>June</b> 6/2/15 Commission Workshop [Special] 6/16/15 Regular Commission Meeting
<b>July</b> 7/7/15 Commission Workshop 7/21/15 Regular Commission Meeting	<b>August</b> 8/4/15 Commission Workshop 8/18/15 Regular Commission Meeting
<b>September</b> 9/1/15 Commission Workshop 9/15/15 Regular Commission Meeting	<b>October</b> 10/6/15 Commission Workshop 10/20/15 Regular Commission Meeting
<b>November</b> 11/3/15 Commission Workshop 11/17/15 Regular Commission Meeting	<b>December</b> 12/1/15 Commission Workshop 12/1 – 12/4/15 ACWA Fall Conference, Indian Wells 12/15/15 Regular Commission Meeting



**SAWPA COMMISSION  
REGULAR MEETING MINUTES  
MAY 19, 2015**

**COMMISSIONERS PRESENT**

Thomas P. Evans, Chair, Western Municipal Water District  
Ed Killgore, Vice Chair, San Bernardino Valley Municipal Water District  
Ron Sullivan, Secretary-Treasurer, Eastern Municipal Water District  
Phil Anthony, Orange County Water District  
Jasmin Hall, Alternate, Inland Empire Utilities Agency

**COMMISSIONERS ABSENT**

Terry Catlin, Inland Empire Utilities Agency

**ALTERNATE COMMISSIONERS  
PRESENT; NON-VOTING**

Steve Copelan, Alternate, San Bernardino Valley Municipal Water District  
Brenda Dennstedt, Alternate, Western Municipal Water District

**STAFF PRESENT**

Celeste Cantú, Rich Haller, Larry McKenney, Karen Williams, Mark Norton, Dean Unger, Kelly Berry, David Ruhl

The Regular Commission Meeting of the Santa Ana Watershed Project Authority was called to order at 9:31 a.m. by Vice Chair Ed Killgore at the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California.

**1. CALL TO ORDER/PLEDGE OF ALLEGIANCE**

Vice Chair Killgore led the Pledge of Allegiance.

**2. ROLL CALL**

Roll call was duly noted and recorded by the Clerk of the Board.

**3. INSTALLATION OF INCOMING CHAIR**

Thomas P. Evans, Commissioner from Western Municipal Water District, was installed the incoming SAWPA Commission Chair. Commissioner Evans chaired the meeting at this point.

**4. ADMINISTER OATH OF OFFICE**

The Oath of Office was administered to Brenda Dennstedt, Alternate Commissioner from Western Municipal Water District.

**5. PUBLIC COMMENTS**

Chair Evans called for public comments. There were no public comments.

**6. CONSENT CALENDAR**

**A. APPROVAL OF MEETING MINUTES: APRIL 21, 2015**

**B. TREASURER’S REPORT – APRIL 2015**

**MOVED**, approve the Consent Calendar.

Result: **Adopted (Unanimously; 5-0)**  
 Motion/Second: Sullivan/Anthony  
 Ayes Anthony, Evans, Hall, Killgore, Sullivan  
 Nays: None  
 Abstentions: None  
 Absent: None

**7. NEW BUSINESS**

**A. APPOINTMENT TO LAKE ELSINORE AND SAN JACINTO WATERSHEDS AUTHORITY (LESJWA) BOARD OF DIRECTORS (CM#2015.36)**

Adoption of Resolution No. 2015-04 would appoint Brenda Dennstedt as SAWPA’s representative to the Lake Elsinore and San Jacinto Watersheds Authority (LESJWA) Board of Directors, replacing Thomas Evans who was appointed January 20, 2015. Chair Evans voiced his support of the appointment of Brenda Dennstedt to the LESJWA Board.

**MOVED**, Adopt Resolution No. 2015-04 rescinding Resolution No. 2015-01 and appointing Alternate Commissioner Brenda Dennstedt to the Lake Elsinore and San Jacinto Watersheds Authority (LESJWA) Board of Directors as the SAWPA representative.

Result: **Adopted (Unanimously; 5-0)**  
 Motion/Second: Anthony/Killgore  
 Ayes Anthony, Evans, Hall, Killgore, Sullivan  
 Nays: None.  
 Abstentions: None  
 Absent: None

**B. FYE 2016 AND 2017 SAWPA BUDGET (CM#2015.37)**

Karen Williams provided a PowerPoint presentation on the FYE 2016 and 2017 SAWPA proposed Budget. Budget highlights included:

	2016*	2017
Total Source of Funds	\$34.4 million	\$25.5 million
Total Use of Funds	\$34.7 million	\$25.0 million
Use of Fund Balance	\$228,930	\$536,706
Prop 84 Project Pass Through	\$10.9 million	\$6.4 million
Total Contribution to Reserves	\$2.3 million	\$2.3 million
Member Contributions per Agency	\$269,559	\$339,090

\* Includes two additional staff positions.

Annual grant funding projections include:

Grant Funding Program	Funding Projected Through	Annual Amount	Total Amount
Prop 84 Round I Program Management	12-31-2017	132,000	660,004
Prop 84 Round II Program Management	6-30-2020	120,894	625,310
Prop 84 Drought Program Management	6-30-2018	143,750	575,000
Prop 84 Drought Projects Implementation	6-30-2018	87,500	350,000
Prop 84 2015 Program Management	Through 2025	642,677	3,213,384
DAC Grant – Energy – Water	Through 2017	(FYE 2016) 938,985 (FYE 2017) 941,539 (FYE 2018) 466,903	2,347,427
Prop 1 Program Management	Through 2021	630,000	3,150,000

A discussion ensued regarding the two additional staff positions and how those positions would be funded. Karen Williams advised the combined salary of the two positions is \$226,000; a majority of hours worked by the two new positions will be charged to the grant administration project(s) they will be working on, other than general meetings, vacation, sick leave, holidays, etc., which would be charged to the general fund.

Chair Evans then asked for an update from the Ad Hoc Personnel Committee (Alternate Commissioner Jasmin Hall and Commissioner Ed Killgore) on their consideration of the Class and Compensation Study. Commissioner Killgore noted they were not prepared to make a recommendation at this time. A discussion ensued as to the procedure Commissioners should follow if they had any questions; Larry McKenney suggested submittal of questions directly to Celeste Cantú, who would forward them on to the Ad Hoc Committee members as quickly as possible. Several voiced a desire to see the consultant’s final report. Karen Williams advised the consultant would need time to address questions submitted, but that a final report would be forthcoming. This would be brought back to the Commission for consideration at the June 16 meeting; Consultant Doug Johnson would be in attendance and present his findings.

Commissioner Anthony commended Karen Williams on the budget, stating it is a complicated budget and very well done.

**MOVED**, adopt the FYE 2016 and FYE 2017 Budget as presented, and direct each member agency to: (1) Notice the consideration of the FYE 2016/17 SAWPA Budget on their next Board of Directors Meeting agenda; (2) Approve by Board Resolution (pursuant to the Joint Powers Authority Agreement) the FYE 2016/17 SAWPA Budget; and, (3) Provide SAWPA with a certified copy of the signed Board Resolution.

Result:	<b>Adopted (Unanimously; 5-0)</b>
Motion/Second:	Anthony/Hall
Ayes	Anthony, Evans, Hall, Killgore, Sullivan
Nays:	None
Abstentions:	None
Absent:	None

**8. OLD BUSINESS**

None.



**9. INFORMATIONAL REPORTS**

**Recommendation:** Receive and file the following oral/written reports/updates.

**A. CASH TRANSACTIONS REPORT – MARCH 2015**

**Presenter:** Karen Williams

**B. INTER-FUND BORROWING – MARCH 2015 (CM#2015.34)**

**Presenter:** Karen Williams

**C. PERFORMANCE INDICATORS/FINANCIAL REPORTING – MARCH 2015 (CM#2015.35)**

**Presenter:** Karen Williams

**D. THIRD QUARTER FYE 2015 EXPENSE REPORTS**

- Staff
- General Manager

**Presenter:** Karen Williams

**E. FINANCIAL REPORT FOR THE THIRD QUARTER ENDING MARCH 31, 2015**

- Inland Empire Brine Line (IEBL)
- SAWPA

**Presenter:** Karen Williams

**F. STATE LEGISLATIVE REPORT**

Celeste Cantú noted consideration will be given for tax credits to those individuals who make an investment to replace turf with drought tolerate landscaping.

**G. GENERAL MANAGER'S REPORT**

The General Manager's Report for May 2015 was handed out.

**H. SAWPA GENERAL MANAGERS MEETING NOTES**

- May 12, 2015

**I. CHAIR'S COMMENTS/REPORT**

**J. COMMISSIONERS' COMMENTS**

**10. CLOSED SESSION**

The Commission convened Closed Session at 10:25 a.m.

**A. CONFERENCE WITH LEGAL COUNSEL – EXPOSURE TO LITIGATION – PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2)**

Number of Potential Cases: One

The Commission reconvened Open Session at 10:29 a.m. There was no reportable action.

**11. ADJOURNMENT**

There being no further business for review, Chair Evans adjourned the meeting at 10:29 a.m.

**Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, June 16, 2015.**

---

Thomas P. Evans, Chair

Attest:

---

Kelly Berry  
Clerk of the Board



**SAWPA COMMISSION  
SPECIAL MEETING MINUTES  
JUNE 2, 2015**

**COMMISSIONERS PRESENT**

Thomas P. Evans, Chair, Western Municipal Water District  
Ed Killgore, Vice Chair, San Bernardino Valley Municipal Water District [9:39 a.m.]  
Ron Sullivan, Secretary-Treasurer, Eastern Municipal Water District  
Henry Sidhu, Orange County Water District  
Terry Catlin, Inland Empire Utilities Agency

**COMMISSIONERS ABSENT**

Phil Anthony, Orange County Water District

**ALTERNATE COMMISSIONERS  
PRESENT; NON-VOTING**

Jasmin Hall, Alternate, Inland Empire Utilities Agency

**STAFF PRESENT**

Celeste Cantú, Rich Haller, Kelly Berry, Zyanya Blancas

The Special Commission Meeting of the Santa Ana Watershed Project Authority was called to order at 9:32 a.m. by Chair Thomas Evans at the Inland Empire Regional Composting Facility, 12645 Sixth Street, Rancho Cucamonga, California.

**1. CALL TO ORDER**

**2. ROLL CALL**

Roll call was duly noted and recorded by the Clerk of the Board.

**3. PUBLIC COMMENTS**

Chair Evans called for public comments. There were no public comments.

**4. INFORMATIONAL PRESENTATION AND TOUR – INLAND EMPIRE REGIONAL  
COMPOSTING FACILITY, RANCHO CUCAMONGA, CALIFORNIA**

**A. INFORMATIONAL PRESENTATION**

Jeff Ziegenbein, Manager of Regional Compost Operations, provided a PowerPoint presentation on the Inland Empire Regional Composting Facility, which is a 50/50 partnership between IEAU and LACSD who formed a JPA in 2001 – the Inland Empire Regional Composting Authority (IERCA). The IERCA facility supports California's goal of diverting from landfills by receiving 150,000 tons of biosolids and 55,000 tons of greenwaste each year. Encompassing 10 acres of fully enclosed composting operations and a 3.5 acre biofilter, it is the only AQMD-permitted facility of its kind. Water Conservation is one of the greatest benefits of composting; it is the cheapest and easiest way to correct poor soil and increase soil's ability to retain moisture since it absorbs 50% of its weight in water. Presently, annual compost sales are 230,000 cubic yards working with 100 customers (wholesalers and small garden centers) to market three products – base, premium and topdressing.

**B. FACILITY TOUR**

Following Mr. Ziegenbein's presentation, there was a guided tour of the facility by passenger van.

**C. QUESTION AND ANSWER SESSION**

**5. ADJOURNMENT**

There being no further business for review, Chair Evans adjourned the meeting at 10:37 a.m.

**Approved at a Regular Meeting of the Santa Ana Watershed Project Authority Commission on Tuesday, June 16, 2015.**

---

Thomas P. Evans, Chair

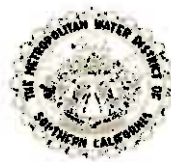
Attest:

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Kelly Berry, CMC  
Clerk of the Board

**AGENCY  
REPRESENTATIVES'  
REPORTS**

**5B**



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

## MWD MEETING AGENDA

**Board Meeting**  
**Meeting with Board of Directors**

**July 14, 2015**

**12:00 p.m. -- Board Room**

MWD Headquarters Building

700 N. Alameda Street

Los Angeles, CA 90012

**1. Call to Order**

- (a) Invocation: Charles Gibson, Director, Santa Margarita Water District
- (b) Pledge of Allegiance: Director Stephen J. Faessel

**2. Roll Call**

**3. Determination of a Quorum**

**4. Opportunity for members of the public to address the Board on matters within the Board's jurisdiction. (As required by Gov. Code § 54954.3(a))**

**5. OTHER MATTERS**

- A. Approval of the Minutes of the Meetings for May 26 and June 9, 2015. (Copies have been mailed to each Director.) Any additions, corrections, or omissions

[Draft Minutes May 26, 2015](#)

- B. Report on Directors' events attended at Metropolitan expense for month of June
- C. Approve preparation of a Commendatory Resolution for former Director Don Calkins
- D. Approve committee assignments
- E. Chairman's Monthly Activity Report
- F. Adopt motion to adjourn the August Board Meeting to August 18, 2015, to establish tax rate. (Committees to meet on August 17 and 18, 2015)

**6. DEPARTMENT HEADS' REPORTS**

- A. General Manager's summary of Metropolitan's activities for the month of June
- B. General Counsel's summary of Legal Department activities for the month of June
- C. General Auditor's summary of activities for the month of June
- D. Ethics Officer's summary of activities for the month of June

**7. CONSENT CALENDAR ITEMS — ACTION**

7-1

Appropriate \$1.8 million; and authorize preliminary design of reliability improvements to the Sepulveda Canyon Control Facility (Approp. 15480). (E&O)

7-1 Board Letter and Attachments

- 7-2 Authorize increase in change order authority for construction contracts at the Joseph Jensen Water Treatment Plant and the Etiwanda Pipeline (Approps. 15441 and 15442). (E&O)

7-2 Board Letter and Attachment

**8. OTHER BOARD ITEMS — ACTION**

- 8-1 Appropriate \$27.4 million; award \$21,524,084 contract to Environmental Construction, Inc. to rehabilitate the east treatment basins at the Robert B. Diemer Water Treatment Plant; and authorize (1) agreement with Ninyo & Moore in an amount not to exceed \$436,000 for environmental services; and (2) increase of \$3.6 million in O&M expenditures for environmental remediation (Approp. 15380). (E&O)

8-1 Board Letter and Attachments

- 8-2 Appropriate \$2.35 million; and award \$1,292,000 contract to Kiewit Infrastructure West Co. to replace hydraulic gates at the F. E. Weymouth Water Treatment Plant (Approps 15369 and 15440). (E&O)

8-2 Board Letter and Attachments

- 8-3 Adopt Mitigated Negative Declaration for planned upgrades to Palos Verdes Reservoir. (E&O)

8-3 Board Letter, Attachments, and EIR Documents

- 8-4 Adopt a resolution authorizing the reimbursement with bond proceeds of the costs of Capital Investment Plan Projects funded from the General Fund and Replacement and Refurbishment Fund up to \$300 million. (F&I)

8-4 Board Letter and Attachment

- 8-5 Appropriate funds and authorize acquisition of a property adjoining the F. E. Weymouth Treatment Plant identified as Los Angeles County Assessor's Parcel No. 8381-005-001. (RP&AM) [Conference with real property negotiators; Property consists of approximately a 0.33 acre lot with 1,666 square feet of improvements, located in La Verne, California; agency negotiators: John Clairday and Bryan Otake; under negotiation: price and terms; to be heard in closed session pursuant to Gov. Code Section 54956.8]

- 8-6 Express support for AB 647 (Eggman, D-Stockton) - Beneficial use: storing of water underground. (C&L) (To be mailed separately)

**9. BOARD INFORMATION ITEMS**

- 9-1 Mid-cycle Biennial Budget Review. (F&I)

9-1 Board Letter and Attachment

**10. OTHER MATTERS (Contd.)**

- 10-1 Department Head Evaluation Process Guidelines and Launch

- 10-2 Department Head Performance Evaluations Presentation [Public employees' performance evaluations - General Manager, General Counsel, General Auditor, and Ethics Officer; to be heard in closed session pursuant to Gov. Code Section 54957]

**11. FUTURE AGENDA ITEMS**

**12. ADJOURNMENT**

NOTE: At the discretion of the committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the committee.

This committee reviews items and makes a recommendation for final action to the full Board of Directors. Final action will be taken by the Board of Directors. Agendas for the meeting of the Board of Directors may be obtained from the Board Executive Secretary. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site <http://www.mwdh2o.com>.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.

**AGENCY  
REPRESENTATIVES'  
REPORTS**

**5D**



**CHINO BASIN WATERMASTER  
WATERMASTER BOARD MEETING  
11:00 a.m. – June 25, 2015**

**WITH**

*Mr. Steve Elie – Chair*

*Mr. Paul Hofer – Vice-Chair*

**At The Offices Of**

**Chino Basin Watermaster  
9641 San Bernardino Road  
Rancho Cucamonga, CA 91730**

**AGENDA**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**PUBLIC COMMENTS**

**AGENDA - ADDITIONS/REORDER**

**I. CONSENT CALENDAR**

**Note: All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by one motion in the form listed below. There will be no separate discussion on these items prior to voting unless any members, staff, or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.**

**A. MINUTES**

1. Minutes of the Watermaster Board Meeting held May 28, 2015

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of April 2015
2. Watermaster VISA Check Detail for the month of April 2015
3. Combining Schedule for the Period July 1, 2014 through April 30, 2015
4. Treasurer's Report of Financial Affairs for the Period April 1, 2015 through April 30, 2015
5. Budget vs. Actual Report for the Period July 1, 2014 through April 30, 2015

**C. MONTE VISTA WATER DISTRICT AQUIFER STORAGE AND RECOVERY AGREEMENT**

Approve the updated agreement, and authorize the General Manager to execute on behalf of Watermaster.

**D. MONTE VISTA WATER DISTRICT OVERLYING (NON-AGRICULTURAL) POOL  
INTERVENTION REQUEST**

Approve the request for Intervention and authorize Watermaster Legal Counsel to file a motion with the Court.

**E. WATER TRANSACTIONS**

1. Notice of Sale or Transfer – The purchase of 5,000.000 acre-feet of water from the City of Upland by Fontana Water Company. This purchase is made from the City of Upland’s Excess Carryover Account.
2. Notice of Sale or Transfer - The purchase of 4.500 acre-feet of water from The Nicholson Trust by Fontana Water Company. This purchase is made from The Nicholson Trust’s Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool). Date of application: April 20, 2015.
3. Notice of Sale or Transfer - The permanent transfer of 282.981 acre-feet of Safe Yield from Aqua Capital Management by the City of Ontario (Non-Ag), effective as of the beginning of fiscal year 2015/16.

**F. NONQUALIFIED DEFERRED COMPENSATION PLAN 457(f)**

Adopt Resolution 2015-03 approving a 457(f) Nonqualified Deferred Compensation Plan

**II. BUSINESS ITEMS**

**A. CITY OF ONTARIO AGREEMENT FOR THE CONDITIONAL CONTRIBUTION OF SAFE YIELD TO OFFSET FUTURE DESALTER REPLENISHMENT**

Consider Advisory Committee’s recommendation regarding additional legal counsel input; and defer making a decision until after the Ad Hoc Committee has provided input, and the Appropriative and Agricultural Pools and the Advisory Committee have made a recommendation.

**B. CHINO BASIN SAFE YIELD REDETERMINATION AND RESET**

Direct Legal Counsel and staff to finalize and file the Status Report with the Court.

**C. GM CONTRACT CONSIDERATION**

**III. REPORTS/UPDATES**

**A. LEGAL COUNSEL REPORT**

1. Appropriative Pool Request to Review State Water Resources Control Board Drought Regulations
2. Waters of the United States Rulemaking

**B. ENGINEER REPORT**

1. State of the Basin Report – Part 2
  - Groundwater Quality
  - Land Subsidence
2. Prado Basin Habitat Sustainability Program
  - Well Drilling, Construction, and Development
  - Monitoring Program Begins
  - Well Completion Report
  - Adaptive Management Plan (Draft)
3. CASGEM Compliance

**C. CFO REPORT**

1. Exhibit “G” Water Transfers Invoicing
2. Five-Year Projection of Watermaster Expenses

**D. GM REPORT**

1. CBWM 35<sup>th</sup> Annual Report
2. City of Ontario Overlying (Non-Agricultural) Pool Proposed Water Right Use And Proposed Methodology
3. Other

**IV. INFORMATION**

1. Cash Disbursements for May 2015

**V. BOARD MEMBER COMMENTS**

**VI. OTHER BUSINESS**

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster Board meeting for the purpose of discussion and possible action.

1. GM Performance Evaluation

**VIII. FUTURE MEETINGS AT WATERMASTER**

6/25/15	Thu	11:00 a.m.	Watermaster Board
7/09/15	Thu	9:00 a.m.	Appropriative Pool
7/09/15	Thu	11:00 a.m.	Non-Agricultural Pool
7/09/15	Thu	1:30 p.m.	Agricultural Pool
7/16/15	Thu	9:00 a.m.	Advisory Committee
7/16/15	Thu	9:30 a.m.	Recharge Investigations and Projects Committee (RIPCom)
7/23/15	Thu	11:00 a.m.	Watermaster Board

**SAFE YIELD REDETERMINATION AND RESET – DRAFTING OF AGREEMENT**

6/26/15	Fri	10:00 a.m.*
7/02/15	Thu	10:00 a.m.*
7/10/15	Fri	10:00 a.m.*
7/17/15	Fri	10:00 a.m.*
7/24/15	Fri	10:00 a.m.*
7/31/15	Fri	10:00 a.m.*
8/07/15	Fri	10:00 a.m.*
8/14/15	Fri	10:00 a.m.*
8/21/15	Fri	10:00 a.m.*
8/28/15	Fri	10:00 a.m.*

\*NOTE: These meetings are intended for Parties who have agreed to the confidentiality protocols. The meetings will generally be held from 10am to 12pm.

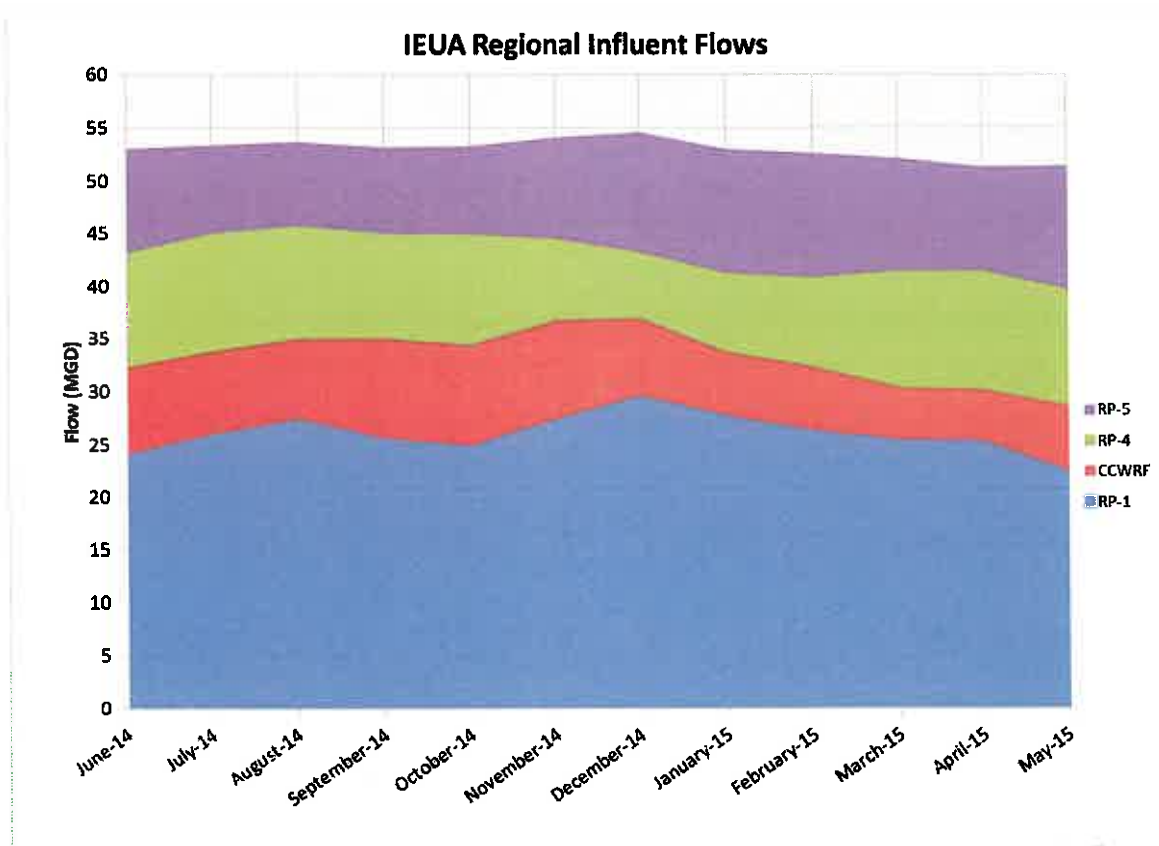
**ADJOURNMENT**



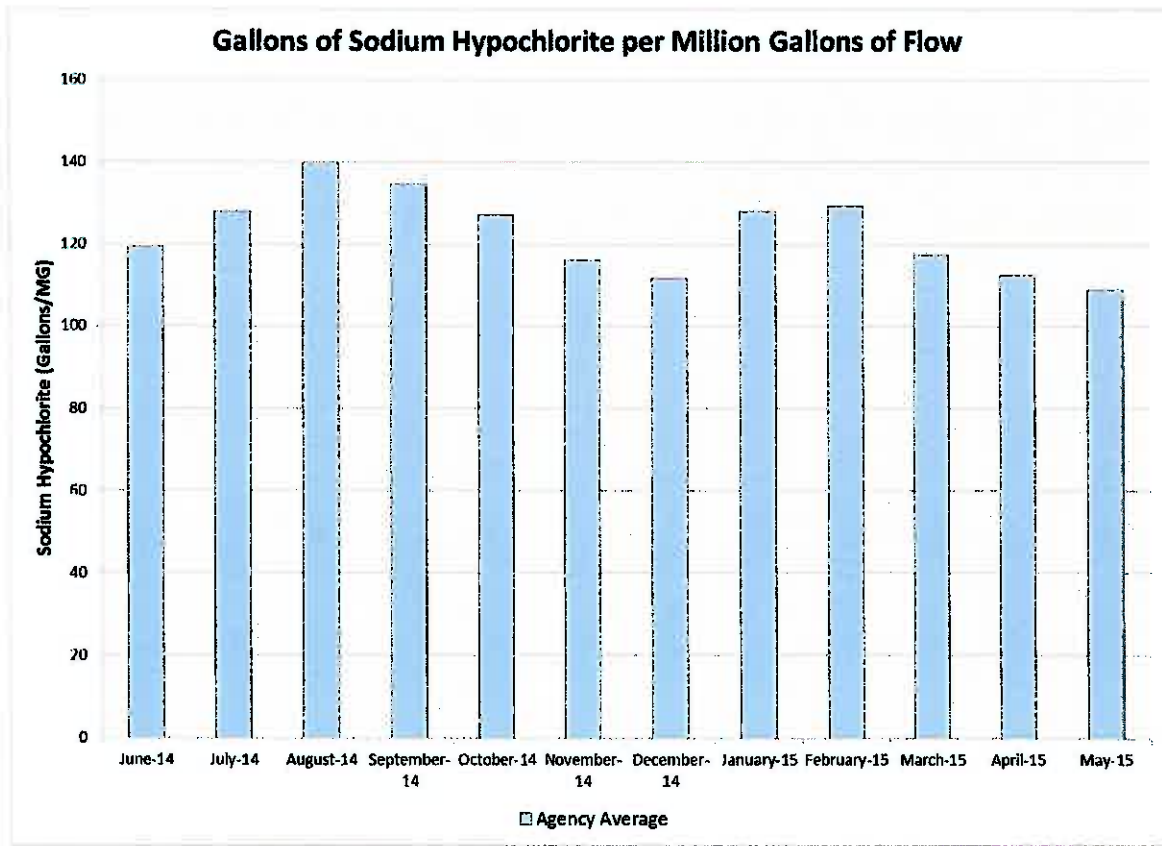
Date: July 15, 2015  
To: The Honorable Board of Directors  
From: P. Joseph Grindstaff  
General Manager  
Subject: General Manager's Report Regarding Agency Activities

**OPERATIONS UPDATE**

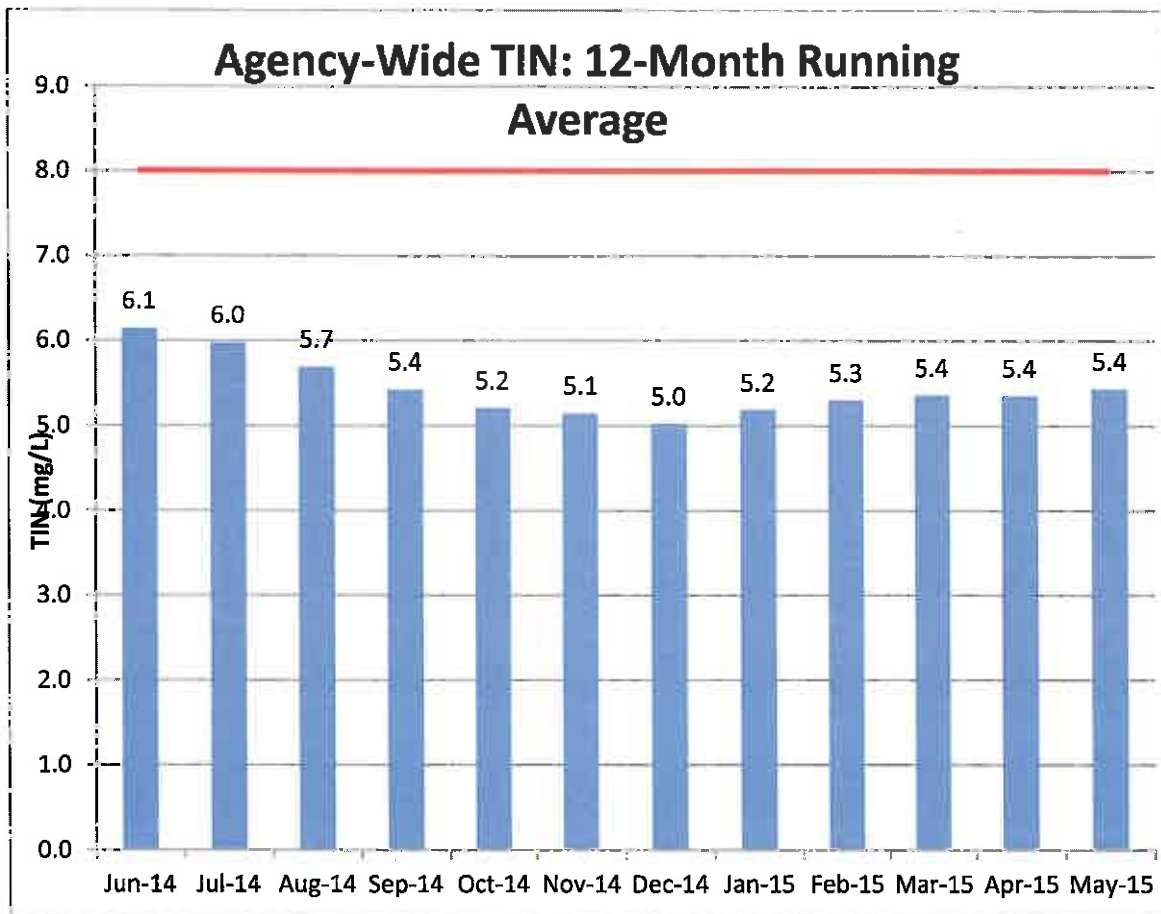
Regional Plant influent flows during the month of May is consistent with the flow received during the previous month. Agency wide average daily influent flow for the month of May was approximately 51 million gallons per day.



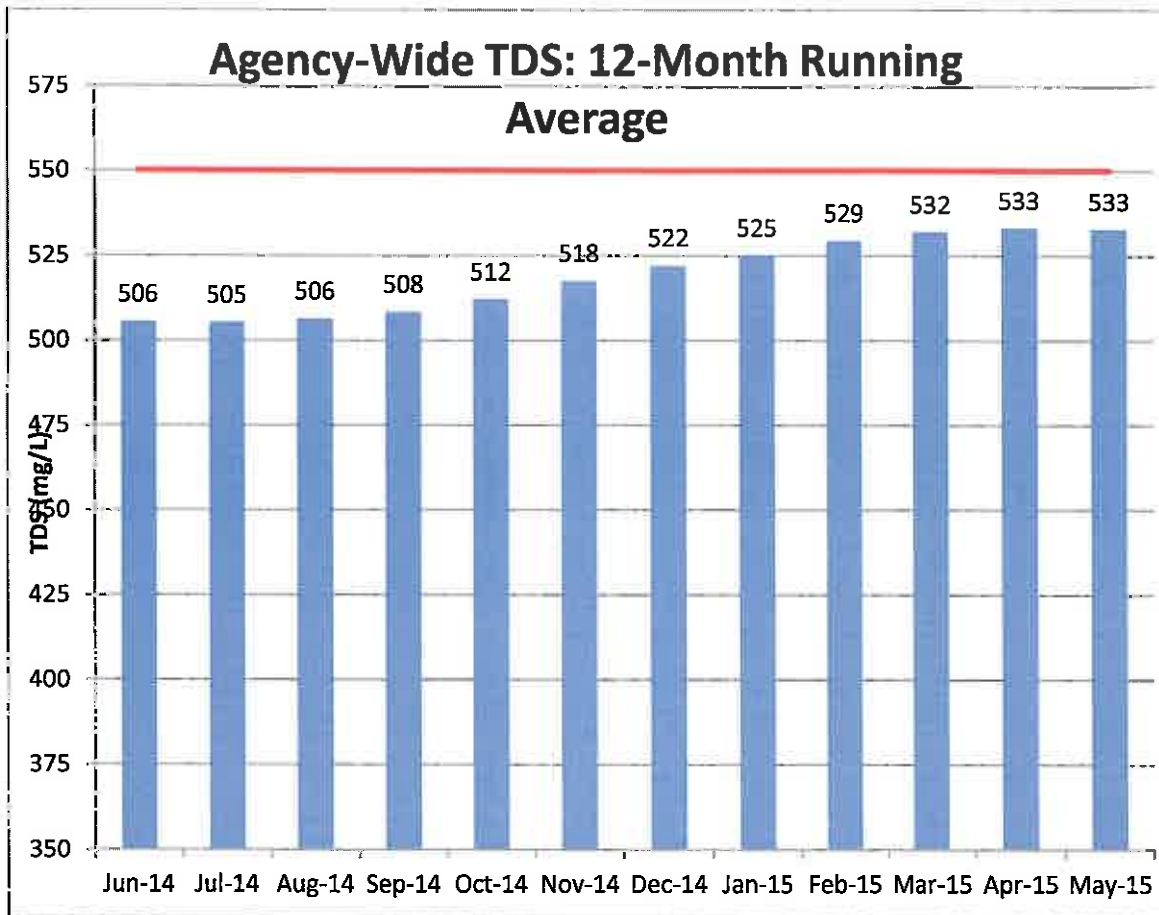
May 2015, Regional Plant sodium hypochlorite consumption averaged 109 gallons per million gallons of treated flows.



May 2015, Agency flow 12 month weighted Total Inorganic Nitrogen (TIN) was 5.4 mg/L.



May 2015, Agency wide effluent 12 month flow weighted average Total Dissolved Solids (TDS) was 533 mg/L.



**IERCF UPDATE**

**Operational Comments** – Facility throughput for June averaged approximately 91% of permitted capacity at an average of 387 tons per day of biosolids and 149 tons per day of amendments (based on a 30-day month). The IERCA entered into an agreement with Orange County Sanitation District for biosolids recycling and began receiving loads in June. The facility is operating well with no violations or lost time incidents.

General Manager's Report Regarding Agency Activities

July 15, 2015

Page 5 of 15

**Facility Throughput**

POTW	Wet Tons Month	Wet Tons Year to Date
LACSD	7,066.57	40,403.60
IEUA	4,385.95	29,765.73
OCSD	150.08	150.08
<b>Total</b>	<b>11,602.60</b>	<b>70,319.41</b>

**Compost Sales** – Fiscal YTD sales were 14% higher than last year due to increased sales into the agricultural markets. Compost inventory in the storage facility was reduced by approximately half versus the same period last year and is at approximately 19,000 cubic yards.

**Monthly Sales Summary June 2015**

Month	Product	Cyds	Av. \$/cyd	Total \$
June	Premium	17,263.17	\$2.09	\$36,007.76
	Base	1,011.74	\$1.00	\$1,011.74
<b>Total</b>		<b>18,274.91</b>	<b>\$2.26</b>	<b>\$37,019.50</b>

**FYTD Sales Summary through June 2015**

Month	Total Cyds 2014/2015	Total Cyds 2013/2014	Total \$ 2014/2015	Total \$ 2013/2014
July	23,882.49	18,501.14	\$39,474.57	\$47,324.52
August	25,621.25	16,818.80	\$27,575.69	\$44,837.97
September	33,184.90	18,837.71	\$37,732.49	\$42,131.44
October	31,487.37	25,034.52	\$31,552.56	\$40,585.79
November	22,348.31	18,056.25	\$37,014.11	\$35,834.18
December	18,272.61	15,026.52	\$23,528.45	\$30,127.32
January	14,388.67	19,674.97	\$38,227.06	\$33,867.50
February	15,105.97	24,105.23	\$37,979.47	\$37,725.97
March	22,059.88	15,691.83	\$56,897.95	\$40,325.96
April	24,675.28	21,068.89	\$47,085.22	\$50,522.63
May	15,213.81	19,848.75	\$33,195.45	\$38,591.29
June	18,274.91	15,437.25	\$37,019.50	\$35,072.18
<b>Total</b>	<b>264,515.45</b>	<b>228,101.86</b>	<b>\$447,282.52</b>	<b>\$476,946.75</b>
<b>Average</b>	<b>22,042.95</b>	<b>19,008.49</b>	<b>\$37,273.54</b>	<b>\$39,745.56</b>

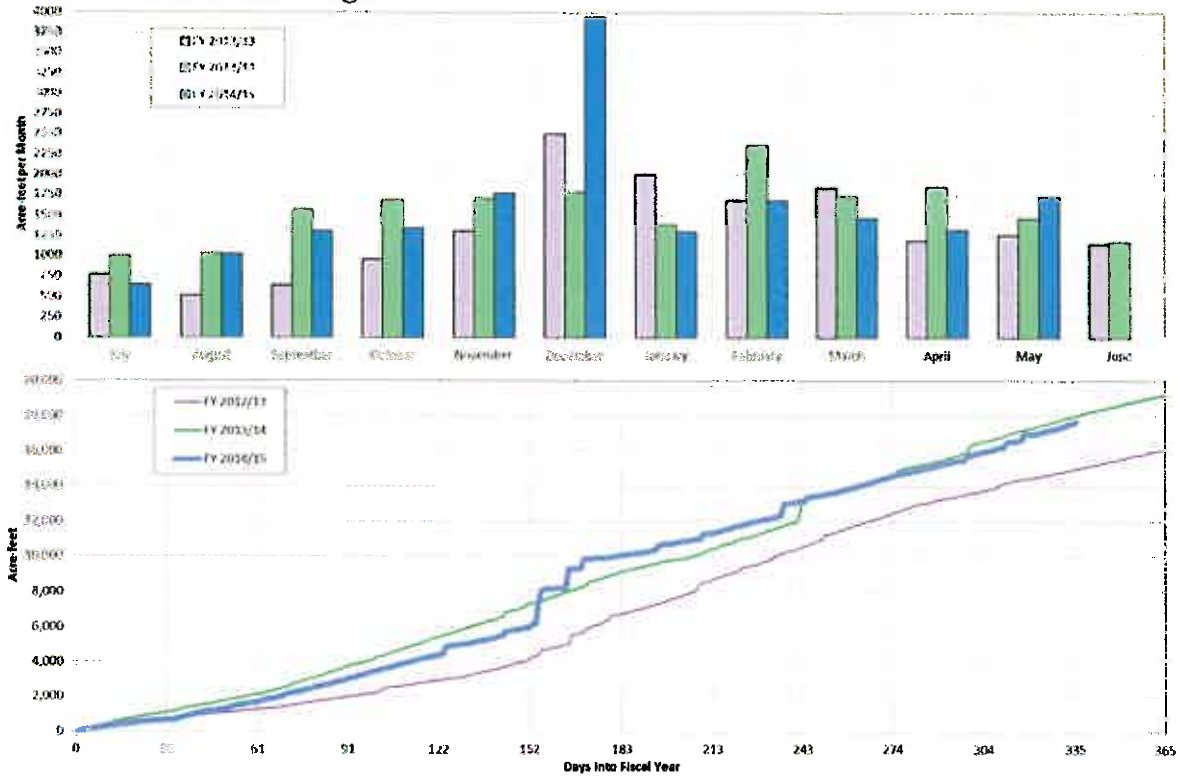


**GROUNDWATER RECHARGE UPDATE**

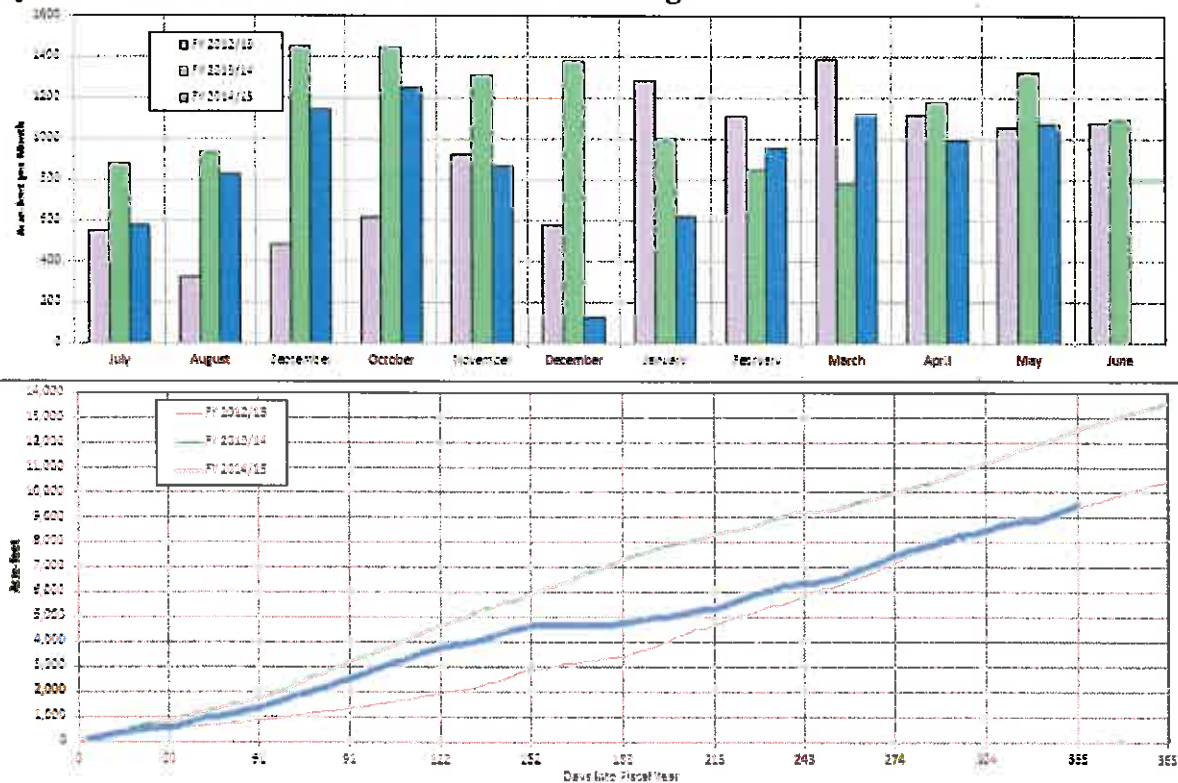
During May 2015, recycled water recharge totaled 1,069 acre-feet and there was no imported water delivered. The capture of dry weather creek flows totaled 73 acre-feet. There were two rain events during the month that contributed an additional 587 acre-feet of storm water.

SUMMARY OF CHINO BASIN GROUNDWATER RECHARGE OPERATIONS					
May 2015					
Drainage System	Recharge Volume (AF)*			Management Zone Subtotals	
Basin	SW/LR	MW	RW		
<b>San Antonio Channel Drainage System</b>					
College Heights	-	-	N	<b>MZ-1 239 AF**</b>	
Upland	20	-	N		
Montclair 1, 2, 3 & 4	35	-	N		
Brooks	21	-	120		
<b>West Cucamonga Channel Drainage System</b>					
8th Street	57	-	-	<b>MZ-2 761 AF**</b>	
7th Street	-	-	-		
Ely 1, 2, & 3	231	-	160		
<b>Minor Drainage</b>					
Grove	47	N	N		
<b>Cucamonga and Deer Creek Channel Drainage Systems</b>					
Turner 1 & 2	-	-	-		
Turner 3 & 4	-	-	-		
<b>Day Creek Channel Drainage System</b>					
Lower Day	10	-	X		
<b>Etrwanda Channel Drainage System</b>					
Etrwanda Debris	-	-	X		
Victoria	13	-	141		
<b>San Sevaine Channel Drainage System</b>					
San Sevaine 1, 2, 3, & 4	1	-	-		
San Sevaine 5	16	-	-		
<b>West Fontana Channel System</b>					
Hickory	3	-	139		
Banana	-	-	161		
<b>Declez Channel Drainage System</b>					
RP3 Cells 1, 3, & 4	112	-	348	<b>MZ-3 729 AF**</b>	
RP3 Cell 2	9	-	-		
Declez	99	-	-		
<b>Non-Replenishment Recharge**</b>					
Brooks (MVWD) MZ-1	-				
Montclair (MVWD) MZ-1	(14)				
Turner (SAWCO) MZ-2	-				
Month Total = 1,729 AF	660	0.0	1,069	May 2015	
Fiscal Year to Date Total				Fiscal Year	
Since July 1, 2014 = 17,509 AF	7,965	0.0	9,544	to Date	
Calendar Year to Date Total				Calendar Year	
Since Jan. 1, 2015 = 7,493 AF	2,730	0.0	4,763	to Date	
SW : Storm Water, LR : Local Runoff (and GE, MVWD), MW : MWD Imported Water, RW : Recycled Water - : No stormwater/local runoff, or basin not in use due to maintenance or testing. X : Turnouts not available - to be installed during future projects. N : No turnout planned for installation. * : Data are preliminary based on the data available at the time of this report preparation. ** : Management Zone Subtotals have deducted from them any Non-Replenishment Recharge, which is recharge originating from pumped groundwater and is not new water.					

### Total Groundwater Recharge

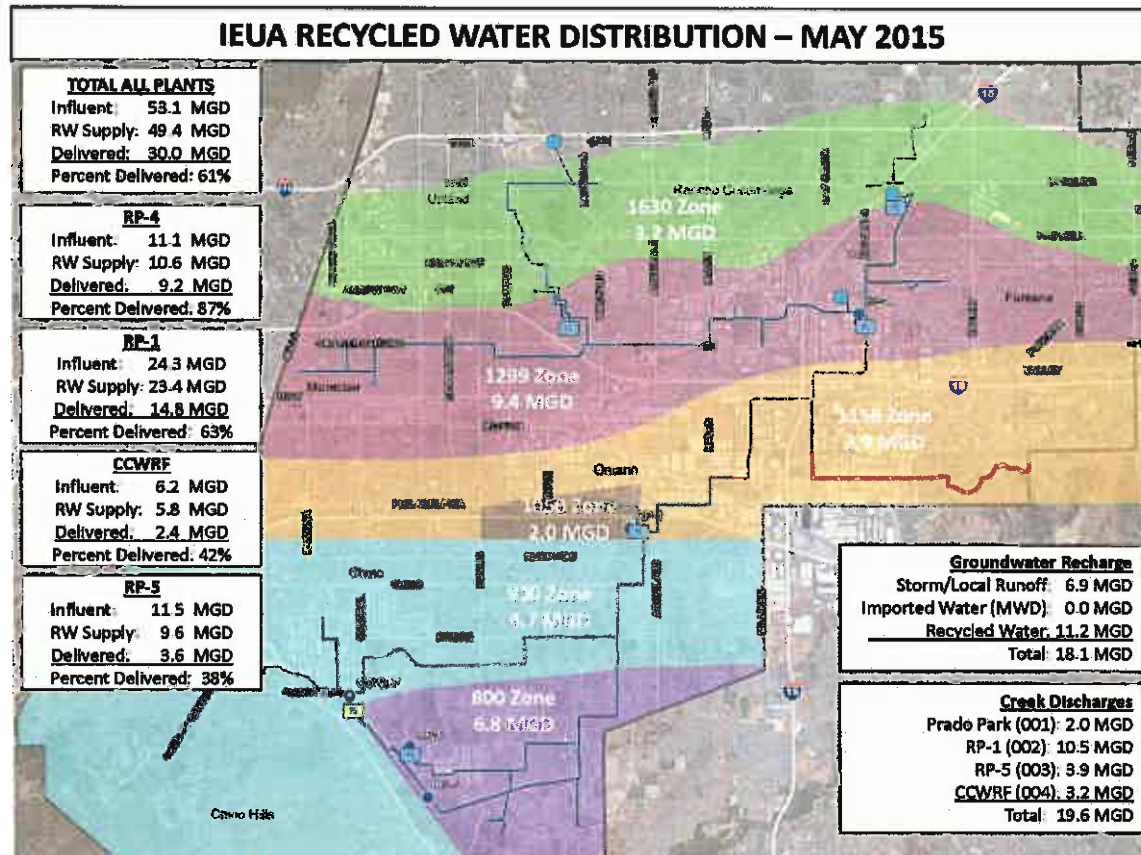


### Recycled Water Delivered to Groundwater Recharge



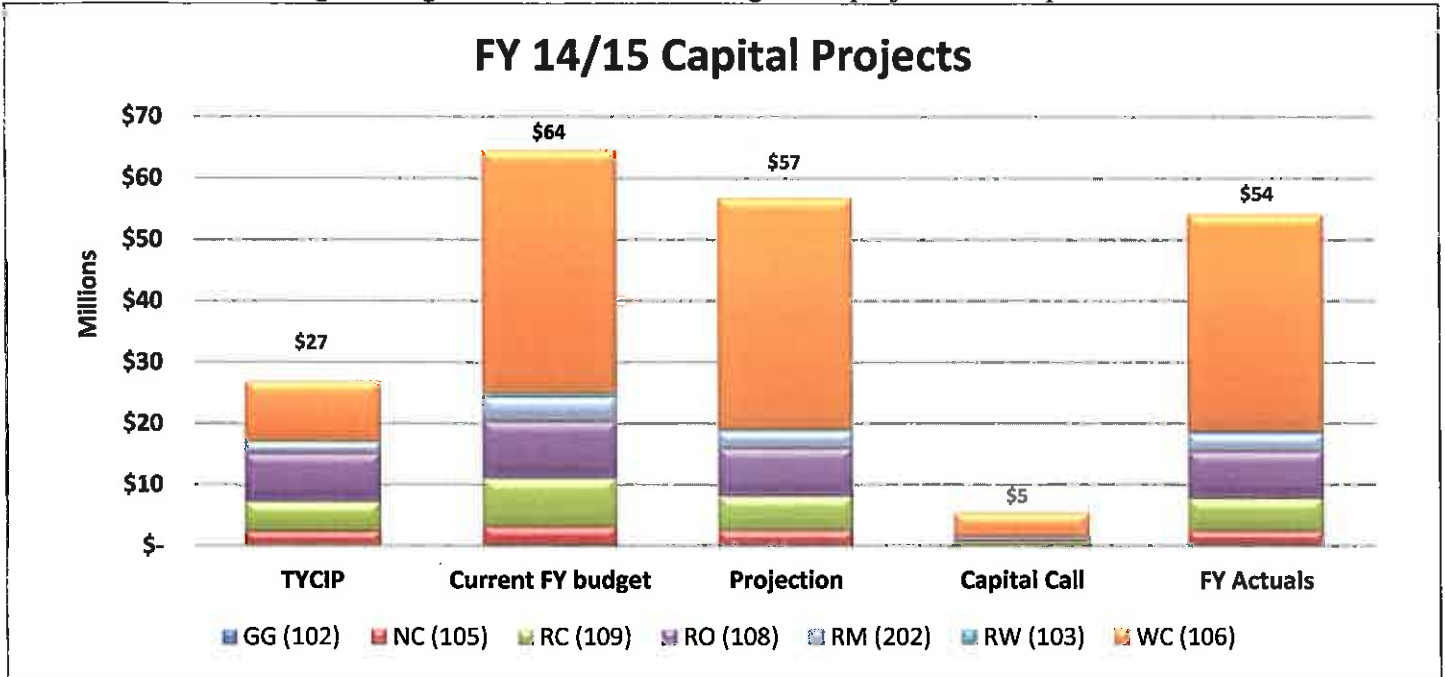
**RW DISTRIBUTION**

During May 2015, 61% (30.0 MGD) of IEUA recycled water supply (49.4 MGD) was delivered into the distribution system for both direct use customers (18.8 MGD) and groundwater recharge (11.2 MGD). Plant discharge to creeks feeding the Santa Ana River averaged 19.6 MGD.



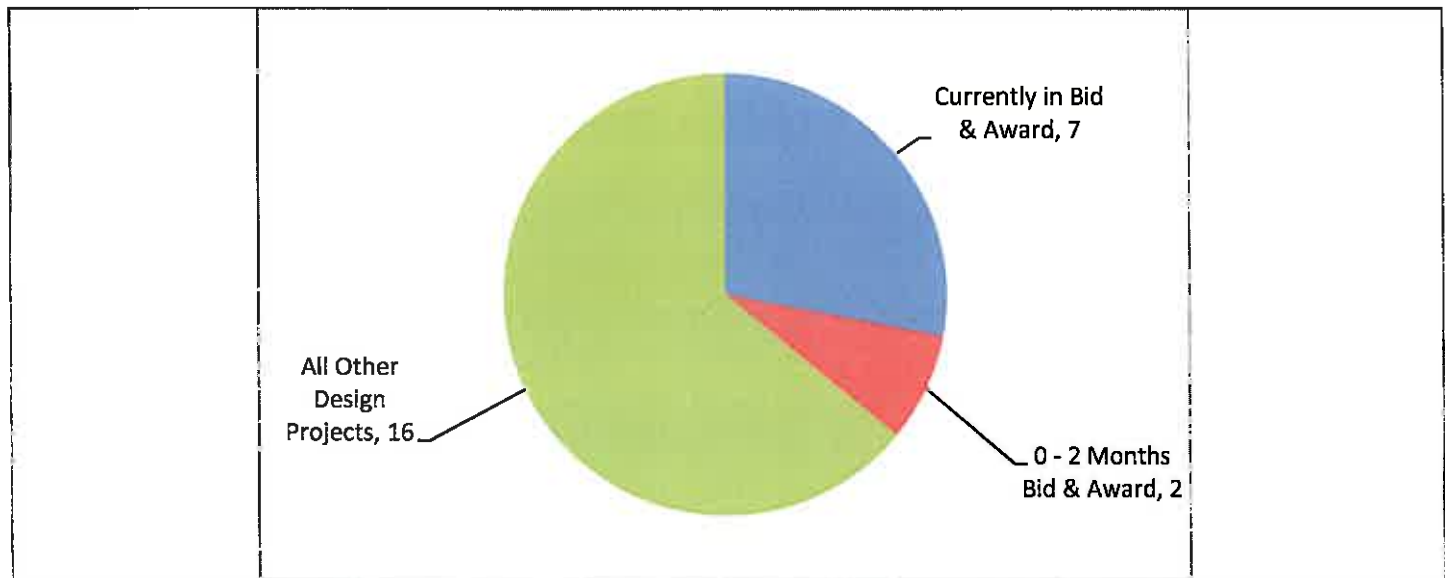
**ENGINEERING AND CONSTRUCTION MANAGEMENT**

Engineering and Construction Management's FY14/15 budget is \$64,501,431. As of June 1<sup>st</sup>, staff has projected to spend \$56,739,098 during FY14/15 of which \$54,089,653 has been expended. The following charts summarize the Engineering and Construction Management project status update.



Active Projects in Design

25 Active Projects in Design



6 Project Currently in Bid & Award

- EN12020.00 Chino Creek Invert Repair
- EN13040.00 Prado Dechlor Communication System
- EN13042.00 Philly Pump Station Communication System
- EN13043.00 Montclair Lift Stn Communication System
- EN15032.00 Agency-Wide HVAC Improvements- Pckg No.3.
- EN15045.00 Collection System Manhole Upgrades FY 15/16
- EN15046.00 NRW Manhole Upgrades FY 15/16

2 Projects 0-2 Months Bid & Award

- EN14047.00 GWR and RW SCADA Control Upgrades
- EN13018.00 Montclair Diversion Structure Improvements



**Active Projects in Construction**

Project ID	Project Title	Description	Total Project Budget (\$)	Total Cost to Date (\$)	FY Budget (\$ 2015)	FY Cost thru 6/30 (\$)	COs Processed thru (units)	Total Project COs (%)	% Project Complete	Original Ops Date	Estimated Ops Date
1	EN06025 Wineville Ext Recy Wtr Pipeline Seg A	Construct RWP along Wineville to RP-3, Deceler and two turnout	17,965,518	12,704,747	11,356,749	10,401,713	173,367	-1.70%	94.19%	9/23/2015	8/20/2015
2	EN08023.06 RP-1 Primary Clarifier Rehab 1-6	Continuation of the required rehab work within the Primary Clarifiers	1,671,270	17,520	145,000	17,520	0	0.00%	18.69%	2/1/2016	12/22/2015
3	EN09021 RP-4 Heatworks Retrofit	Improve access @ Heatworks for Ops and Maint & replace gates	2,885,900	2,438,961	1,750,075	1,573,488	62,770	5.53%	90.01%	6/30/2015	6/16/2015
4	EN12014 East Avenue 1630 ERWP Relocation	Relocation of 200 LF of 36 inch RW PL on East Avenue in Rancho	690,108	171,607	445,180	20,617	0	0.00%	64.32%	8/30/2015	12/31/2015
5	EN12019 GWR and RW Comm. Sys. Upgrades	Upgraded the SCADA system to provide control & monitoring	1,594,400	200,786	650,000	24,129	0	0.00%	24.66%	7/7/2015	12/31/2015
6	EN13016 SCADA Enterprise System	Design/construct SCADA system that enables remote control of facilities	9,500,000	1,356,963	717,247	753,506	0	0.00%	63.99%	8/31/2015	12/31/2015
7	EN13016.01 CCWRP Control and Server Rooms Modification	Convert the existing control and server workrooms for SCADA System	179,852	43,605	179,852	43,605	0	0.00%	99%	6/15/2015	6/30/2015
8	EN13045 Wineville RW Extension Segment B	Install 2.8 miles of 30" RWP & to the associated appurtenances	11,880,300	8,457,297	9,900,000	8,356,849	-609,375	-6.85%	85.96%	10/15/2015	8/6/2015
9	EN13056 Agency-Wide HVAC Improvements- Pkg No. 2	Design, procurement and installation of all necessary HVAC equipment	1,086,500	740,447	750,023	703,970	267	0.05%	92.20%	6/14/2015	5/31/2015
10	EN14027 CCWRP Secondary Clarifier No. 3 Rehab	Rehab Secondary Clarifier at CCWRP	1,540,600	864,061	864,061	829,025	60,566	10.03%	95.61%	7/20/2015	5/29/2015
11	EN14038 CB20 Noise Mitigation Measures	Design and build the sound mitigating enclosure	160,000	50,170	156,487	46,657	0	0.00%	77.68%	6/30/2014	7/15/2015
12	EN14051 RP1 Centrifuge Stair and Catwalk Installation	New stairway access, catwalk, connecting bridge and portable lift	607,000	471,332	536,083	400,415	0	0.00%	100.00%	5/30/2014	3/4/2015
13	EN14052 RP1 Primary Clarifier W Effluent PL	Replace effluent pipeline w/vitrified clay pipe and extend life	1,012,000	930,389	512,502	430,892	0	0.00%	88.17%	5/30/2014	9/15/2015
14	EN15047 1630W RWP5 Check Valves Replacement	Install tilted disk valves to reduce pressure fluctuations	120,000	27,120	120,000	27,120	0	0.00%	81.52%	6/23/2015	6/26/2015
15	EN15048 CCWRP 72" Mixed Liquor Inspection and Repair	Pipeline inspection activities, repairs and rehabilitation	200,000	28,751	200,000	28,751	0	0.00%	90.97%	6/25/2015	6/30/2015
16	EN15056 RP-1 Digester Gas System Eval & Improvements	Evaluate the digester gas piping, provide improve controls and pavement	180,000	41,966	180,000	41,966	0	0.00%	3.30%	12/31/2015	2/24/2016
17	RA11004 IERCF Process Improvements	Upgrading the conveyor belts at IERCF	5,625,000	5,297,941	2,227,297	1,899,454	311,326	9.81%	96.64%	11/26/2014	8/5/2015
18	RA15001 IERCF Baghouse and Dust Coll Sys Enhance	Design, procure & install explosion control and suppression systems	1,300,000	1,065,658	1,284,856	1,050,514	35,000	3.87%	99.19%	3/28/2015	3/2/2015
			58,198,488	34,909,322	31,936,165	26,640,189	33,920				

• Total construction contract payments for work completed in May: \$1,204,723.29

**Completed Construction Projects - Notice of Completion Filed in June 2015**

Project ID	Project Title	Description	Total Project Budget (\$)	Total Cost to Date (\$)	FY Budget (\$ 2015)	FY Cost thru 6/30 (\$)	COs Processed thru (units)	Total Project COs (%)	% Project Complete	Original Ops Date	Notice of Completion Filed
1	EN11035 Philadelphia Pump Station Upgrades	Upgrade Force Main to 12-inch and replace surge protection pipe	2,381,100	2,097,635	1,410,742	1,530,453	119,552	8.70%	100%	2/16/2015	6/8/2015
2	EN13054 Montclair Lift Station Upgrades	Eliminate the ragging problem due to diverted flows from RP1	3,549,600	2,831,599	2,535,831	2,173,773	127,332	7.16%	100%	5/1/2015	6/8/2015
3	EN13038 RP-1 Outfall Relocation & Upsizing	Construct 72" PL along the flood control channel right-of-way	5,200,000	5,178,311	5,200,000	5,178,311	-377,152	-6.55%	100%	5/29/2015	6/5/2015
			11,130,700	10,107,545	9,146,572	8,882,537	-130,268				

**Emergency Projects**

Project ID	Contractor	Task Order Description	TO #	Amount	Date
EN15034.02	Humphrey Constructors	Vineyard Elementary RW Pipe Replace	TO-002	28,800	6/22/2015
EN14051.01	W.A. Basic Construction	RP-1 Silo Catwalk - Request for Additional Safety Improvements	TO-016	3,500	6/4/2015
FN15034.07	W.A. Basic Construction	CBWCD RW Piping Leaks	TO-017	28,000	6/18/2015
EN15026.11	W.A. Basic Construction	HQ-A & HQ-B Slab Repair	TO-018	49,998	5/27/2015
				110,298	

Office Engineering Projects

Project ID	Project Title	Status	% Complete	Actual Costs
1	CW15016.03 Ontario RW Conn ORW-63	In Construction	15%	24
2	CW15016.07 Ontario RW Conn ORW-38	In Construction	98%	6,945
3	CW15016.11 CWVD RW Conn CVRW-42	In Construction	14%	0
4	CW15016.13 RW AV Relocation on SW Haven & Fourth	In Construction	84%	195
5	CW15016.16 24in RW/PL in 800 W PZ	In Construction	12%	4,343
6	CW15019.02 Ontario Reg Conns to FTS Group 1	In Construction	48%	5,951
				17,457

**GRANTS KEY ACTIVITIES**

**USBR Awarded \$750,000 , Water Use Efficiency Grant Funding to Help Relieve Drought**

In March 2015, IEUA, in association with Chino Basin Watermaster, submitted a grant application to USBR under the CALFED Water Smart Bay-Delta Restoration Water Use Efficiency Grant Program for the Basin Improvement and Stormwater Capture Project which was selected from the Chino Basin Recharge Master Plan. On June 19, 2015, the USBR announced a \$750,000 grant award for this application.

The grant funding will be used on the design and construction of the San Sevaine and the Lower Day Basins Improvement projects. This project will provide 5,537 AFY new local water supplies. This project has received wide spread support from the federal, state and regional governmental agencies as illustrated in the table below.

Projects	Federal (\$1,000)	State (\$1,000)	CBWM (\$1,000)	IEUA (\$1,000)	Total (\$1,000)	Savings (AFY)
San Sevaine Basins	\$375	\$750	\$2,668	\$2,668	\$6,460	4,748
Lower Day Basin	\$375	\$750	\$1,355	-	\$2,480	789
<b>Total</b>	<b>\$750</b>	<b>\$1,500</b>	<b>\$4,023</b>	<b>\$2,668</b>	<b>\$8,940</b>	<b>5,537</b>

**USBR Awarded \$5 Million Title XVI Grant for Drinking Water Project**

In December 2014, IEUA, in association with CDA and its member agencies, submitted a grant application to USBR under the Title XVI Water Reclamation and Reuse Grant Program. On May 19, 2015, the USBR announced a \$5 Million grant award. The grant funding will be used on the CDA's Brine Concentrate Reduction Facility Project. On June 17, 2015, IEUA received the draft grant agreement. Staff is in the process of reviewing and negotiating the terms and conditions of the contract. IEUA's General Manager will execute the agreement once the review is completed in July, 2015.

**SWRCB Approved \$6 Million SRF Loan Funding for Recycled Water 930 Zone Project**

IEUA received the \$9.3M SRF loan reimbursement requested from the SWRCB for the Southern Area Recycled Water project. This was a special request to increase the SRF loan amount from \$20.6 Million to \$26.6 Million due to an unexpected condition encountered during the construction of the 930 Zone recycled water pipeline. The contractor found shallow groundwater in the path of the pipeline to be constructed. The contractor was required to dewater the excavated trench to address the water. The additional work resulted in change orders of about \$6 Million. Grant Staff submitted the final SRF loan claim of \$9.3 Million on May 7, 2015. The \$9.3 Million cash payment was received in June 2015, which has helped the Agency's cash flow significantly.

**SWRCB – 2015 Drought Relief 1%, 30-Year SRF loan and Prop 1 Grant Application**

In April 2015, the SWRCB announced the Prop 1 grant funding opportunity for Water Recycling projects. The grant program will provide 35% in grant funds for each project, in addition to the low interest loan. To qualify, a complete funding application, including the environmental documentation must be received by the SWRCB by December 2, 2015.

IEUA submitted a pre-application in April 2015, and has been working with the project managers and member agencies on the full application which is expected to be substantially completed by July 2015. Currently, the application covers nine IEUA individual water recycling projects. Member agency project(s) may also be included to enhance the integration of the recycled water supply optimization.

**Contracts and Facilities Services:**

Staff is in the process of renewing the Agency's comprehensive insurance policies with a July 1 renewal date. Due to the timing associated with the receipt of the proposals, the policy expiration dates and scheduled Board meeting, staff will bring the information on to the Board in July for ratification. These policies include the Agency's General, Auto and Employment Practices policies, the Property, Boiler and Machinery policies, as well as the Workers' Compensation and Employer Liability policies.



**Inland Empire Utilities Agency  
 Active Grant and SRF Loan Summary  
 As of June 30, 2015**

Funding Agency	Project Name	Award Amount	Invoiced Through (6/30/13)	Invoiced FY13/14 (07/01/13 - 6/30/14)	Invoiced FY14/15 (07/01/14 - 6/30/15)	Award Balance
<b>FEDERAL GRANTS</b>						
United States Bureau of Reclamation (USBR)	Turner Basin Improvement Project	\$ 406,712	\$ 227,453	\$ 179,260	\$ -	\$ (0)
	Regional Residential Landscape Surveys and Retrofit Program	200,000	67,926	91,098	40,976	0
FEMA/Cal-EMA	FEMA Winter Storm 2010 Disaster	732,371	585,831	-	119,735	26,805
<b>Active Federal Grants</b>		<b>\$ 1,339,083</b>	<b>\$ 881,209</b>	<b>\$ 270,358</b>	<b>\$ 160,711</b>	<b>\$ 26,805</b>
<b>STATE GRANTS</b>						
Department of Water Resources (DWR)	Multi-Family ULF Toilet Program	\$ 1,650,133	\$ 1,614,066	\$ 36,067	\$ -	\$ (0)
	Landscape Water Audit Program	194,478	194,418	58	-	(0)
Department of Parks & Recreation (DPR)	Water Discovery Field Trip & Bus	207,900	59,333	12,206	22,813	113,548
	Earth Day program	38,500	35,584	2,916	-	-
State Water Resources Control Board (SWRCB)	Southern Area Recycled Water	4,000,000	521,739	3,063,393	414,868	-
State Water Resources Control Board (SWRCB)	Central Area Recycled Water Wineville	4,000,000	-	-	2,766,736	1,233,264
MWD	Pilot Scale 3-D Fluorescence Excitation-Emission Matrix	50,000	-	-	31,386	18,614
MWD	Recycled Water Intertie Study	25,000	-	-	14,508	10,492
Santa Ana Watershed Project Authority (SAWPA)	IRWM/Wineville Recycled Water Pipeline/SCADA	1,000,000	-	-	-	1,000,000
Santa Ana Watershed Project Authority (SAWPA)	IRWM/San Seivaine Basin Improvement	750,000	-	-	-	750,000
Santa Ana Watershed Project Authority (SAWPA)	IRWM/Regional Residential Landscape Retrofit	500,000	-	-	72,971	427,029
Santa Ana Watershed Project Authority (SAWPA)	IRWM/Lower Day Basin Improvement	750,000	-	-	-	750,000
<b>Active State &amp; Local Grant</b>		<b>\$ 13,166,009</b>	<b>\$ 2,426,141</b>	<b>\$ 3,114,640</b>	<b>\$ 3,323,283</b>	<b>\$ 4,302,945</b>
<b>Total Active Federal, State &amp; Local Grant</b>		<b>\$ 14,505,092</b>	<b>\$ 3,306,350</b>	<b>\$ 3,384,998</b>	<b>\$ 3,483,994</b>	<b>\$ 4,329,751</b>
<b>SRF LOANS</b>						
SWRCB (SRF Loans)	Southern Area Recycled Water	\$ 26,608,838	\$ 5,194,535	\$ 11,011,187	\$ 10,402,916	\$ 0
	Central Area Recycled Water Wineville	26,500,000	-	-	12,893,100	13,606,900
	New Water Quality Laboratory	17,100,000	-	630,551	-	16,469,449
<b>Sub-total Active SRF Loans</b>		<b>\$ 70,208,838</b>	<b>\$ 5,194,535</b>	<b>\$ 11,641,738</b>	<b>\$ 23,296,016</b>	<b>\$ 30,076,349</b>
<b>CDA GRANTS</b>						
United States Bureau of Reclamation (USBR)	CDA Wellfield (Wells 1, 2, 3)	\$ 1,516,095	\$ 533,307	\$ -	\$ -	\$ 982,788
United States Bureau of Reclamation (USBR)	1010 Zone Pump Station and New Product Water Pipelines	3,930,000	448,196	757,963	2,666,474	57,367
United States Bureau of Reclamation (USBR)	Chino Basin Groundwater Supply Wells and Raw Water Pipelines Projects	2,980,000	-	-	129,573	2,850,427
SWRCB DDW/California Department Of Public Health	CDA Phase III Expansion Projects	52,005,716	-	17,088,141	6,739,896	28,177,679
MWD	Pilot Testing of a Biological Treatment Process (BIOTT/ATM)	414,218	-	-	185,280	228,938
<b>Sub-total Active CDA Grants</b>		<b>\$ 60,846,027</b>	<b>\$ 981,503</b>	<b>\$ 17,846,103</b>	<b>\$ 8,721,233</b>	<b>\$ 32,297,197</b>
<b>GRAND TOTAL ACTIVE GRANTS &amp; LOANS</b>		<b>\$ 145,559,757</b>	<b>\$ 9,482,387</b>	<b>\$ 32,872,839</b>	<b>\$ 36,501,233</b>	<b>\$ 66,703,287</b>
<b>Active Grants &amp; Loans</b>		<b>\$ 145,559,757</b>	<b>\$ 9,482,387</b>	<b>\$ 32,872,839</b>	<b>\$ 36,501,233</b>	<b>\$ 66,703,287</b>
<b>Closed Grants</b>		<b>\$ 179,604,064</b>				
<b>Closed SRF loans</b>		<b>\$ 86,107,654</b>				
<b>Closed grants and SRF loans</b>		<b>\$ 265,711,718</b>				
<b>Total Active and Closed Grants &amp; Loans since 2002</b>		<b>\$ 411,271,475</b>				

### **CONTRACTS AND FACILITIES SERVICES**

On July 1, an Emergency Amendment was made to the Sunbelt Rentals contract (No. 4600001842) for emergency pumping services as part of the RP-1 Bypass project in response to the discovery and repair of the damaged pipeline. The amount of the Emergency Amendment is \$138,000.

On June 16, an Emergency Task order (No. 54) was issued to Tom Dodson and Associates (TDA) under their Master Environmental Services contract (No. 4600001385). The Task Order was issued for their completion of the California Environmental Quality Act (CEQA) work related to the CDA agreement. The total the amount of the Task Order was \$17,800.

On May 4, an Emergency Purchase Order (No. 4500021935) was issued to Vaughan's Industrial Repairs for the repair of two mixed liquor pumps at the Carbon Canyon facility. The emergency repairs were ordered as the regular Master Contract for repair services with Vaughan's was not going to the Board until May 20, 2015. The total cost of the repairs is \$64,695.

On May 14, an Emergency Purchase Order (No. 4500022019) was issued to Griswold Industries (CLA-VAL) for the repair of a FCV- 706 valve at the Whitman Turnout at the San Sevaine Channel. The emergency repairs were ordered in support of being able to pump recycled water into the basin to meet the allocation requirement. The total cost of the repair is \$1295.

On May 1, 2015, a one year contract extension was issued to Airgas USA for the not to exceed amount of \$40,000. The additional one year extension pushes the contract to an eighth year with Airgas USA. Pursuant to the Agency's Procurement Ordinance Section 3.3., the Agency can exceed the seven year limit if the purchase is in the best interest to the Agency. Airgas USA agreed to hold their pricing for the one additional year. An RFP for compressed air services will be issued prior to the expiration of this contract.