



**MINUTES OF THE REGULAR
MEETING OF
THE BOARD OF DIRECTORS
OF
THE INLAND EMPIRE UTILITIES AGENCY*
WEDNESDAY, APRIL 20, 2016
10:00 A.M.**

DIRECTORS PRESENT:

Terry Catlin, President
Michael Camacho, Vice President
Steven J. Elie, Secretary/Treasurer
Jasmin A. Hall

DIRECTORS ABSENT:

Gene Koopman

STAFF PRESENT:

P. Joseph Grindstaff, General Manager
Chris Berch, Executive Manager of Engineering/Assistant General Manager
Christina Valencia, Chief Financial Officer/Assistant General Manager
Ernest Yeboah, Executive Manager of Engineering/Assistant General Manager
Blanca Arambula, Deputy Manager of Human Resources
Sharmeen Bhojani, Manager of Human Resources
Kathy Besser, Manager of External Affairs
Josh Biesiada, Construction Project Manager
Jerry Burke, Deputy Manager of Engineering
Javier Chagoyen-Lazaro, Manager of Finance and Accounting
Tina Cheng, Budget Officer
Warren Green, Manager of Contracts and Facility Services
Jason Gu, Grants Officer
Randy Lee, Manager of Operations
Sylvie Lee, Manager of Planning and Environmental Resources
Alex Lopez, Senior Financial Analyst
Dave Mendez, Acting Deputy Manager of Engineering
Lisa Morgan-Perales, Senior Water Resources Analyst
Jeff Noelte, Manager of Technical Services
Craig Proctor, Pretreatment and Source Control Supervisor
John Scherck, Acting Deputy Manager of Construction Management
Shaun Stone, Manager of Engineering
Stephanie Riley, Executive Assistant

OTHERS PRESENT:

Jean Cihigoyenette, Cihigoyenette, Grossberg, & Clouse

A regular meeting of the Board of Directors of the Inland Empire Utilities Agency* was held at the office of the Agency, 6075 Kimball Avenue, Bldg. A, Chino, California on the above date.

President Catlin called the meeting to order at 10:03 a.m., and he led with the pledge of allegiance to the flag. A quorum was present.

President Catlin stated that members of the public may address the Board. There was no one desiring to do so.

President Catlin asked if there were any changes/additions/deletions to the agenda. Director Camacho stated that he would like item 11, Headquarters Permit Office Construction Contract Award pulled from the consent calendar, to be brought back to the Board at a later date.

NEW HIRE INTRODUCTIONS

Executive Manager of Operations Ernest Yeboah introduced, Mr. Jerry Jahn, Wastewater Treatment Plant Operator in Training, hired on 3/21/2016, Mr. Andrew Nieto, Wastewater Treatment Plant Operator in Training, hired on 1/31/2016, Mr. Michael Gallagher, Controls Systems Analyst, hired on 3/28/2016, and Mr. Jason Smith, Mechanic I, hired 4/11/2016.

General Manager P. Joseph Grindstaff introduced Ms. Sally Lee, Administrative Secretary, hired on 3/31/2016.

Chief Financial Officer Christina Valencia introduced Mr. Gary Te, GIS Specialist, hired on 3/27/2016, Ms. Shaneka Morris, Contracts Administrator II, hired on 4/4/2016, and Ms. Courtney Price, Records Management Coordinator, hired on 4/11/2016.

1. CONSENT CALENDAR

President Catlin asked if there were any Board members wishing to pull an item from the Consent Calendar for discussion.

Upon motion by Director Elie, seconded by Director Hall, and unanimously carried:

M2016-4-1

MOVED, to approve the Consent Calendar.

- A. Approved the minutes from the March 16, Board Meeting.
- B. Approved the total disbursements for the month of February 2016, in the amount of \$10,070,905.37
- C. The Board:
 - 1. Approved the construction contract for the Groundwater Recharge and Recycled Water Supervisory Control and Data Acquisition (SCADA) System Upgrades, Project No. EN14047, to Trimax Systems, Inc. for \$250,989; and
 - 2. Authorized the General Manager to execute the contract.
- D. The Board:

Continued...

M2016-4-1, continued.

1. Adopted Resolution Nos. 2016-4-1, 2016-4-2, and 2016-4-3, authorizing the Agency to enter into financial assistance agreements with the U.S. Department of Interior – Bureau of Reclamation (USBR) for three grant applications submitted in April 2016: 1) Drought Contingency Planning Grant; 2) Drought Resiliency Implementation Grant; and 3) Agricultural Water Conservation Grant; and
2. Authorized the General Manager to execute the financial assistance agreement, any amendments, and any grant related documents thereto.

E. The Board:

1. Ratified the contract amendment No. 4600001970-001 with West Valley Mosquito and Vector Control District (WVMVCD) establishing a contract through June 30, 2016, for midge fly treatment services at Turner, San Sevaine, Victoria, and Ely Basins for a not-to-exceed amount of \$120,000; and
2. Authorized the General Manager to execute the contract amendment.

F. The Board:

1. Amended the reimbursement agreement with the Chino Basin Watermaster for the Prado Basin Habitat Sustainability Program to increase the total program cost from \$600,000 to \$934,500; and
2. Authorized the General Manager to execute the reimbursement agreement amendment.

G. The Board:

1. Approved the sale of one Brine Line capacity unit to the Eastside Water Treatment Plant; and
2. Authorized the General Manager to execute the Brine Line Capacity Right Agreement.

H. The Board:

1. Approved the professional services contract award for the Feasibility Study for Sewer Service in the IEUA Service Area, Project No. PL16015 to RMC Water and Environment for the not-to-exceed amount of \$286,813; and
2. Authorized the General Manager to execute the contract.

Continued...

M2016-4-1, continued.

- I. PULLED
- J. The Board:
 - 1. Approved the Retainer Agreement for bond counsel and related legal services with Stradling Yocca Carlson & Rauth (SYCR), subject to the fees, terms and conditions set forth in Exhibit A;
 - 2. Approved services previously approved and rendered for a not-to-exceed amount of \$30,000 related to the 2008B Variable Rate Demand Bond Letter of Credit substitution, and completion of financing agreements for regional projects to be financed through the Chino Basin Regional Financing Authority; and
 - 3. Authorized the General Manager or designee to execute the Agreement.
- K. The Board:
 - 1. Adopted the California Environmental Quality Act (CEQA) Initial Study/Mitigated Negative Declaration and Mitigation, Monitoring, and Reporting Program for the Lower Day Basin Recharge Master Plan Update (RMPU) Improvements, Project No. RW15004; and
 - 2. Authorized the General Manager to file the Notice of Determination (NOD) with the San Bernardino County Clerk of the Board.
- L. Approved Resolution No. 2016-4-5, amending the salary schedule/matrix for the Supervisors' Unit.
- M. Approved Resolution No. 2016-4-6, amending the salary schedule/matrix for the Unrepresented, Executive Management, Laboratory Unit, Operators' Association, Professional Unit and General Unit.
- N. Approved Resolution No. 2016-4-7, proclaiming May 1, 2016 through May 7, 2016, as International Compost Awareness Week.
- O. The Board:
 - 1. Approved the Agency-wide memberships and affiliations for FY 2016/17, in the amount of \$238,250 (includes 5% contingency); and
 - 2. Adopted Resolution No. 2016-4-8, authorizing Agency organizational memberships and affiliations.

2. ACTION ITEMS

A. EAST DECLEZ PROPERTY ACQUISITION

Executive Manager of Engineering/Assistant General Manager Chris Berch stated that the approval of this item was contingent upon the Chino Basin Watermaster Appropriative Pool Committees decision. The committee came to the decision to not pursue the project. Mr. Berch stated that IEUA would be taking no action at this time. He added that the purchase of the property will be cancelled.

B. ENTERPRISE CONTENT MANAGEMENT SYSTEM CONTRACT AWARD

Manager of Contracts and Facilities Services Warren Green gave a PowerPoint presentation on the ECMS contract award. Mr. Green stated that the goal of the project is to replace the Agency's current records system, LibertyNet. LibertyNet was purchased in 1999 and has reached the end of its useful life. The program is no longer supported by the vendor and does not support the records management task of destruction of records. Mr. Green stated that the goal was to provide a web based system that was user friendly. The Agency is looking to manage records from the point of creation through to the destruction process, as well as implement the best management practices of the industry. Mr. Green stated that the new system will integrate with SAP and other current systems used within the Agency. Mr. Green gave an overview of the projects background. Mr. Green stated that ease of use was important criteria when choosing a system.

Upon motion by Director Camacho, seconded by Director Elie, and unanimously carried:

M2016-4-2

MOVED, to:

1. Approve Contract No. 4600002085, to American Microlmaging, Inc. (AMI) for the Enterprise Content Management System, Project No. IS15003, associated licensing agreement and the option for conversion of back file documents, for a not-to-exceed amount of \$670,920; and
2. Authorize the General Manager to execute the contract.

3. INFORMATION ITEMS

A. MWD AND DROUGHT UPDATE

Senior Engineer Jason Pivovaroff gave a brief presentation updating the Board on MWD and the drought status. Mr. Pivovaroff stated that in terms of water conditions and sales, March was an outstanding months for both state and federal systems. In terms of the State Water Project, the Department of Water announced an allocation increase of 45%, with a potential adjustment in April after the consideration of snowpack. Mr. Pivovaroff stated that March had a total of sixteen inches of rainfall, bringing the total year's rainfall to 120%. Mr. Pivovaroff stated that the reservoirs are in good condition, highlighting both Lake Shasta and Oroville, which are both currently at approximately 90% capacity. Mr. Pivovaroff gave an update on the water supply allocation plan and the MWD budget and rates. Director Camacho stated that reservoirs are great for surface water storage, however that the drought is not over.

B. PROPOSED WATER RATES UPDATE

Chief Financial Officer/Assistant General Manager Christina Valencia gave a PowerPoint presentation on the proposed water rates update. Last year, the Board approved the deferral of the restructuring and the new water rate implementation one year. Ms. Valencia stated that staff has been in discussions with member agencies regarding the proposed water rates. The goal of the rate restructuring is to be equitable, fair, to provide cost of service over time and build reserves necessary to the fund. Ms. Valencia highlighted the water rate objectives, including the recovery of the MWD pass-through readiness to serve rates and IEUA program costs. Ms. Valencia stated that the changes include eliminating the current acre foot surcharge, changing from meter account to meter equivalent units, and recovery of the RTS based on MWD's ten year rolling average of water purchases. Ms. Valencia also provided an overview of what costs are covered with the proposed MEU rate and what costs are not covered. She highlighted that the SARCCUP and capital related investments are not covered. Ms. Valencia reviewed two draft rate scenarios, draft scenario 1 is the rates as provided in March. Scenario 2 are the updated draft rates. Ms. Valencia stated that through discussions with the member agencies, Cucamonga Valley Water District (CVWD) is asking the Board to consider deferring the effective date of the proposed rates by ninety days due to their previous adopt of rates. This is a minimal impact to the Agency. The member agencies have also requested that the recovery of the RTS based on MWD's ten year rolling average of water purchases be completed over a seven year period. This recommendation does require using property taxes to subsidize the program throughout the seven year implementation period. Upon reaching cost of service the property taxes will be used to fund SARCCUP, capital related investments, and other projects related to the program. Mr. Grindstaff stated that upon the rates being brought to the Board for adoption, the RTS TYRA would be phased in within four years by FY 2019/20, to align with other Agency rates. Ms. Valencia gave an overview of the current property tax allocation in comparison to future property tax allocations highlighting that in future projections all future growth of property taxes would be allocated to the WW fund. Mr. Grindstaff stated that the Agency has continuously subsidized programs by property taxes. Discussion ensued regarding the allocation of property taxes and the regional contract. General Counsel Jean Cihigoyenette stated that the Board of Directors has complete discretion on the allocation of property taxes.

C. 2015 INTEGRATED WATER RESOURCES PLAN

Water Resource Planner Elizabeth Hurst gave a PowerPoint presentation on the 2015 Integrated Water Resources Plan (IRP). Ms. Hurst stated that the guiding goals of the IRP included resilience, water efficiency, sustainability, and cost effectiveness. The plan is broken down into two phases. Phase I includes the identification and vision of the IRP. Ms. Hurst highlighted the key findings and core recommendations of phase 1. In closing Ms. Hurst reviewed the next steps of the IRP, including adoption of the IRP Phase 1 Report and establishing the General Manager Water Forum.

THE FOLLOWING INFORMATION ITEMS WERE RECEIVED AND FILED BY THE BOARD:

- D. TREASURER'S REPORT OF FINANCIAL AFFAIRS (WRITTEN/ POWERPOINT)**
- E. PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)**
- F. LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES (WRITTEN)**
- G. LEGISLATIVE REPORT FROM WEST COAST ADVISORS (WRITTEN)**

- H. LEGISLATIVE REPORT FROM AGRICULTURAL RESOURCES (WRITTEN)
- I. CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT (WRITTEN)
- J. FEDERAL LEGISLATIVE TRACKING MATRIX (WRITTEN)
- K. STATE LEGISLATIVE TRACKING MATRIX (WRITTEN)
- L. REGIONAL WATER USE EFFICIENCY BUSINESS PLAN (2015-2020) (WRITTEN/POWERPOINT)
- M. THIRD QUARTER PLANNING AND ENVIRONMENTAL COMPLIANCE UPDATE (POWERPOINT)
- N. RP-1/RP-5 EXPANSION PRELIMINARY DESIGN REPORT UPDATE (WRITTEN/POWERPOINT)
- O. FY 2016/17 TEN YEAR CAPITAL IMPROVEMENT PLAN UPDATE (POWERPOINT)
- P. SUPPORT FOR FEDERAL AND STATE LEGISLATION (WRITTEN)

4. AGENCY REPRESENTATIVES' REPORTS

A. SAWPA REPORT

President Catlin stated that SAWPA stated that at the April 19, 2016 meeting a presentation was given regarding the IRP SARCUP and a resolution for the Brine Line was approved.

B. MWD REPORT

None.

C. REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT

President Catlin reported that the April Policy meeting was cancelled.

D. CHINO BASIN WATERMASTER REPORT

Director Elie had stated that Watermaster is hiring a Senior Engineer position and that the safe yield hearing is scheduled for the first Friday in May.

5. GENERAL MANAGER'S REPORT

The General Manager's Report was received and filed by the Board.

General Manager Joseph Grindstaff stated that a meeting was held on April 15, 2016 with Santa Ana Watermaster, including several Board members of the member agencies, the meeting was useful. Director Elie stated that a presentations were given in reference to the past, present, and future of Santa Ana Watermaster. Discussion also ensued regarding SARCCUP. Mr. Grindstaff added that the Earth Day event is being held in the park today, with another event open to the general public being held tomorrow. The events brings over 3,500 school children.

6. BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

The Directors had no requested future agenda items.

7. BOARD OF DIRECTORS' COMMENTS

Director Hall reported that he attended the Association of San Bernardino County Special Districts dinner hosted by IEUA on March 21, 2016, the Ontario State of the City event on March 23, 2016 and the San Bernardino County State of Address on April 6, 2016. Director Hall also reported that she attended the IEUA leadership breakfast. Director Hall also attended the San Bernardino County Special Districts dinner hosted by EMWD on April 18, 2016

Director Elie reported that she attended the Association of San Bernardino County Special Districts dinner hosted by IEUA on March 21, 2016 and the Ontario State of the City event on March 23, 2016. Director Elie also reported that he attended the IEUA leadership breakfast. Director Elie also reported that he attended the Santa Ana Watermaster meeting at the Agency on April 15, 2016.

8. CLOSED SESSION

The Board went into Closed Session at 11:18 a.m., 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) Mwembu vs. IEUA Case No. CIVDS 1415762; B. PURSUANT TO GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR: (1) Supplemental Water Transfer/Purchase, Negotiating Party: General Manager P. Joseph Grindstaff; C. PURSUANT TO GOVERNMENT CODE SECTION 54956.9 – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Two (2) Cases; D. PURSUANT TO GOVERNMENT CODE SECTION 54957 – PERSONNEL MATTERS: (1) Various Positions – Compensation Study, (2) Various Positions; E. PURSUANT TO GOVERNMENT CODE SECTION 54957 – PERSONNEL MATTERS – PUBLIC EMPLOYEE PERFORMANCE EVALUATION: (1) General Manager

The meeting resumed at 11:58 p.m., and General Counsel Jean Cihigoyenetché stated that the below-mentioned matters were discussed in Closed Session, and the Board took the following actions:

Regarding Conference with Legal Counsel – Existing Litigation:

Martin vs. IEUA, Case No. CIVRS 1000767

The Board took no reportable action.

Regarding Conference with Legal Counsel – Existing Litigation:

Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010

Mwembu vs. IEUA, Case No. CIVDS 1415762

The Board took no reportable action.

Regarding Conference with Real Property Negotiator:

Supplemental Water Transfer/Purchase

The Board took no reportable action.

Regarding Conference with Legal Counsel – Anticipated Litigation:

First (1) Case

The Board did not discuss.

Regarding Conference with Legal Counsel – Anticipated Litigation:

Second (1) Case

The Board took no reportable action.

Regarding Personnel Matters:

Various Positions – Compensation Study

Various Positions

The Board did not discuss.

Regarding Personnel Matters – Public Employee Performance Evaluation

General Manager

The Board conducted a review of the General Manager.

Upon motion by Director Elie, seconded by Director Camacho, and unanimously carried:

M2016-4-4

MOVED, to: Approve a performance bonus to the General Manager, P. Joseph Grindstaff, in the amount of \$20,000 based on the contract.

With no further business, President Catlin adjourned the meeting at 12:03 p.m.



Steven J. Elie, Secretary/Treasurer

APPROVED: JUNE 15, 2016