



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

**MINUTES OF THE REGULAR
MEETING OF
THE
INLAND EMPIRE UTILITIES AGENCY
BOARD OF DIRECTORS**

**WEDNESDAY, JULY 20, 2016
10:00 A.M.**

DIRECTORS PRESENT:

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

STAFF PRESENT:

Chris Berch, Executive Manager of Engineering/AGM
Martha Davis, Executive Manager of Policy Development/AGM
Randy Lee, Executive Manager of Operations/AGM
Christina Valencia, Chief Financial Officer/AGM
Warren Green, Manager of Contracts and Facility Services
Jason Gu, Grants Officer
Sylvie Lee, Manager of Planning and Environmental Resources
David Malm, Deputy Manager of Integrated System Services
Lisa Morgan-Perales, Senior Water Resources Analyst
Jason Pivovarovoff, Senior Engineer
John Scherck, Acting Deputy Manager of Engineering
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT:

Jack Allingham, Retiree
Vivian Castro, CBWCD
Jean Cihigoyenatche, The JC Law Firm
Paul Hofer
Fausto Reyes

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 10:05 a.m., and he dispensed with the pledge of allegiance to the flag. A quorum was present.

President Catlin stated that members of the public may address the Board.

Mr. Jack Allingham requested to address the Board regarding Consent Calendar Item 2H, CONTRACT AWARD FOR DISTRIBUTED CONTROL SYSTEM (DCS) SUPPORT SERVICES. He stated that he noted that the other Board recommendations included the fees for the service and/or contract; however, Consent Calendar Item 2H, did not list a fee. Mr. Allingham wanted to know the fee for this item. President Catlin proceeded to list the contract fees for the four year

term, which was listed in the text of the Board Letter as follows: Year 1 - \$71,920; Year 2 - \$74,076; Year 3 - \$76,300; and Year 4 - \$78,588. He noted that each year had a 10% increase.

President Catlin asked if there were any changes/additions/deletions to the agenda. There were no changes/additions/deletions to the agenda.

1. NEW HIRE INTRODUCTIONS

Executive Manager of Operations/Assistant General Manager Randy Lee introduced Mr. Richard Selio, Mechanic I, hired 4/25/16.

The Board of Directors welcomed Mr. Richard Selio to the IEUA team.

2. 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 Camacho, seconded by Director Hall, and unanimously carried:

M2016-7-1

MOVED, to approve the Consent Calendar.

- A. Approved the minutes from the June 15, 2016, Board meeting.
- B. Approved the total disbursements for the month of May 2016, in the amount of \$11,749,719.63.
- C. The Board ratified the purchase of the following Agency-wide insurance policies with an effective date of July 1, 2016, providing coverage through July 1, 2017, for the amounts included in the FY 2016/17 Budget:

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

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; and

Continued...

M2016-7-1, continued.

Excess Workers' Compensation and Employer's Liability: Provides coverage against bodily injury and illness to employees in the scope of their employment insurance from Midlands Insurance, with a Self-Insured Retention (SIR) of \$1,000,000.

D. The Board adopted Resolution Nos. 2016-7-1 and 2016-7-2 to amend the Supervisors' Unit, General Unit, and the Professional Unit Memoranda of Understanding (MOUs) and salary matrix/schedule to reflect a unit modification.

E. The Board:

1. Approved a three-year contract with two additional one-year extensions with Innovative Federal Strategies, LLC to provide federal legislative consulting services for a monthly retainer fee of \$8,000, plus approved expenses; and
2. Approved a three-year contract with two additional one-year extensions to Agricultural Resources to provide federal legislative consulting services for a monthly retainer fee of \$6,000 through December 31, 2016, and \$3,500 thereafter, plus approved expenses; and
3. Authorized the General Manager to finalize and execute said contracts and potential one-year extensions.

F. The Board:

1. Approved a three-year contract with two additional one-year extensions with West Coast Advisors to provide state legislative consulting services, for a monthly retainer fee of \$9,800, plus approved expenses; and
2. Authorized the General Manager to finalize and execute said contract and potential one-year extensions.

G. The Board:

1. Adopted the California Environmental Quality Act (CEQA) Initial Study/Mitigated Negative Declaration and Mitigation Monitoring, and Reporting Program for the IEUA-Pomona-MVWD Intertie; and
2. Authorized the General Manager to file the Notice of Determination (NOD) with the San Bernardino County and Los Angeles County Clerk of the Board.

H. The Board:

1. Approved Contract No. 4600002120 to award Schneider Electric a four-year support contract for Foxboro software and hardware; and
2. Authorized the General Manager to execute the contract.

Continued...

M2016-7-1, continued.

I. The Board:

1. Approved Contract No. 4600002162 to GP Strategies Corporation to provide on-site staff training services for the not-to-exceed amount of \$138,418; and
2. Authorized the General Manager to execute the contract.

J. The Board:

1. Approved Contract No. 4600002119 with Jeremy Harris Construction for the Victoria Basin Infiltration Restoration operation and maintenance activities for a not-to-exceed amount of \$103,612; and
2. Authorized the General Manager to execute the contract.

3. **ACTION ITEM**

A. FILLING VACANT SEAT ON THE BOARD OF DIRECTORS

President Catlin stated that the application process closed at 5:00 p.m., last Friday, July 15. He reported that three individuals applied for the vacancy. President Catlin thanked all the candidates for considering service to the community, and submitting an application to serve on this Board. He introduced each of the three candidates – Mr. Jack Allingham, Mr. Fausto Reyes, and Mr. Paul Hofer.

General Counsel Jean Cihigoyenette stated that on or about June 15, the Board made a directive that the vacancy created by the passing of Director Gene Koopman, be filled by appointment as opposed to holding a special election. He said that in furtherance of that process, the staff was directed to advertise the vacant position in a newspaper of general circulation in the Agency's service area, as well as the statutory requirements that the notice be posted in three conspicuous places within the District. He stated that all the notice requirements have been fulfilled and completed. Mr. Cihigoyenette reported that there were three applications submitted to fill the vacant seat, and the three candidates are present today. He reported that the application process was closed effective July 15, and there will be no further applications accepted. Mr. Cihigoyenette noted that the Board letter submitted, recommended different options for the Board to pursue at their discretion, or the Board may elect to pursue an entirely different format, if the Board desires. He reviewed the suggested options provided - to appoint an individual to the position; further establish a procedure such as an interview process or other vetting process to review the particular applicants; or calendar a special meeting or adjourn to the next regular Board meeting to take further action. Mr. Cihigoyenette noted that the suggested processes and options are compliant with the Brown Act. He noted that the statutes that govern filling vacant seats by appointment do not dictate any particular process or procedure by which this Board must abide. Therefore, the procedures implemented are entirely left to the discretion of the Board. The only caveat is that the Board has a deadline to appoint an individual, which is August 15.

President Catlin suggested for the Board's consideration that the Board of Directors conduct interview with the candidates, same as what was done in the past, at the

August 3, regular Board meeting. He stated that this will allow the candidates an opportunity to present themselves, and provide their qualifications for the position, as well as giving the Directors an opportunity to query the candidates.

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

M2016-7-2

MOVED, to conduct interviews with the three candidates at the August 3, 2016 Board meeting. The order of the interviews will be determined by lot.

4. INFORMATION ITEMS

A. ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATES (POWERPOINT)

Acting Deputy Manager of Engineering John Scherck provided a PowerPoint presentation on the Engineering and Construction Management project updates. He highlighted the Montclair diversion structure rehabilitation, which was completed under budget and on schedule; water quality laboratory's preconstruction meeting is complete, they are finalizing schedules of values, and preparing for full site mobilization; RP-1 DAF's plug valve replacement is complete; San Bernardino Avenue gravity sewer project's sewer lateral verification is complete, and staff advertised this project to prequalified contractors on July 14, with the job walk scheduled for July 25; RP-1 Aeration Basin panel repairs project's design is complete, and was advertised to prequalified contractors on July 14, with recommendation for contract award in September; RP-4 lighting improvements project's first phase has been completed at RP-4 and IERCF, and currently in a verification phase.

Mr. Scherck also reported on the main headquarters permit office, which had a couple of solicitations, but due to the value and non-responses, staff had to rebid. The project received a bid of \$53,000, (engineer's estimate was \$70,000) with a qualified contractor, and staff is progressing into construction on this project.

B. MWD UPDATE AND DROUGHT UPDATE

Senior Engineer Jason Pivovaroff provided a MWD monthly recap. He reported on water conditions and sales stating that IEUA FY 2015/16 sales are approximately 50% lower than prior 5 year rolling average, with a FY total of 29,440 AF of imported water, which is a record low. He also provided an update on the conservation programs, reporting that MWD has increased their conservation budget from \$59 million to \$100 million for FYs 2016/17 and 2017/18. He also highlighted changes/enhancements to the conservation programs. He noted that as part of the recent budget approval from MWD, \$10 million of additional funds were included for on-site retrofit programs, which is for recycled water conversions. He noted that this was at the request of the member agencies.

Mr. Pivovaroff also provided the continuation of a mini-series of the overview of the California's water supply systems. This presentation included an in-depth look at some of the key state water project facilities.

Director Hall commented to Mr. Pivovaroff that the presentation was interesting and the PowerPoint was well formatted, with the last page being a one page fact sheet. She stated that it would be a great tool to use when she is out speaking to the community.

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

- 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 LEGISLATIVE TRACKING MATRIX (WRITTEN)
- J. STATE LEGISLATIVE TRACKING MATRIX (WRITTEN)
- K. REPORT OF OPEN AUDIT RECOMMENDATIONS (WRITTEN)

5. AGENCY REPRESENTATIVES' REPORTS

A. SAWPA REPORT

President Catlin reported that Mr. Paul Brown finished the strategic planning process, and that the Commission is utilizing what they had learned. He stated that the Commission authorized a grant compliance staff position.

B. MWD REPORT

Director Camacho had nothing further to report.

C. REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT

July meeting was cancelled. The next meeting is scheduled for August 4, 2016.

D. CHINO BASIN WATERMASTER REPORT

President Catlin reported that he attended the Chino Basin Watermaster Board meeting on June 23, and that the Safe Yield reset was extended to September. He reported that the rest of the meeting was fairly routine.

6. GENERAL MANAGER'S REPORT

General Manager Joseph Grindstaff mentioned that there is a tour scheduled for next Friday (July 22) to the Central Valley, which the Executive Manager of Engineering/AGM Chris Berch and General Manager Grindstaff will be attending, along with MVWD, CVWD, and Ontario. The tour will be visiting different agencies and their water banks to see how they operate, and how we might incorporate a water bank in the Chino Basin.

Mr. Grindstaff also mentioned that Secretary Bruce Babbitt, who used to be the Secretary of Interior, has been asked by the Governor to see if he could negotiate a settlement particularly involving federal contractors on the California Water Fix. Mr. Grindstaff stated that Secretary Babbitt asked to meet with him in Sacramento on Friday, July 15.

7. BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

There were no future agenda items requested by the Board.

8. BOARD OF DIRECTORS' COMMENTS

A. CONFERENCE REPORTS

On July 15, Director Hall attended the grand opening celebration of the Chino Community Garden. She reported that it was a great effort using drought tolerant plants, and giving the community an area to plant a vegetable garden. Director Hall reported that on June 22, she attended the Southern California Water Committee Water Energy Workshop. She reported that General Manager Joseph Grindstaff was one of the panel members. She said that there was a lot of information shared and looks forward to working together with the partners that participated.

9. CLOSED SESSION

The Board went into Closed Session at 10:40 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, Under Negotiation: Price and Terms of Purchase; C. PURSUANT TO GOVERNMENT CODE SECTION 54956.9 – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Three (3) Cases

The meeting resumed at 12:50 p.m., and General Counsel Jean Cihigoyenette 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:

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

Martin vs. IEUA, Case No. CIVRS 1000767

Mwembu vs. IEUA, Case No. CIVDS 1415762

The Board did not discuss.

Regarding Conference with Real Property Negotiator:

Supplemental Water Transfer/Purchase

The Board did not discuss.

Regarding Conference with Legal Counsel – Anticipated Litigation:

First Case

The Board took no reportable action.

Regarding Conference with Legal Counsel – Anticipated Litigation:

Second Case

The Board took no reportable action.

Regarding Conference with Legal Counsel – Anticipated Litigation:

Third Case

The Board took no reportable action.

With no further business, President Catlin adjourned the meeting at 12:54 p.m.



Steven J. Elie, Secretary/Treasurer

APPROVED: AUGUST 17, 2016